



UNIVERSITY *of the*
WESTERN CAPE

2012

Annual Report

Contents

ANNUAL REPORT

Report of the Chairperson of Council	4
Report of the Rector	12
Report of the Senate	28
Report of the Institutional Forum	52
Council's Statement on Corporate Governance	54
The Audit and Risk Committee Report on the Systems of Internal Control	59
Financial Review	60
Council Statement on Responsibility for the Annual Financial Statements	73
Report of the Independent Auditors	74
Consolidated Statement of Financial Position	76
Consolidated Statement of Changes in Funds	77
Statement of Comprehensive Income	78
Consolidated Statement of Cash Flows	82
Notes to the Annual Financial Statements	83
Annexures	114



Executives

- 1** Professor Brian O' Connell
Rector and Vice-Chancellor
- 2** Professor Ramashwar Bharuthram
Vice-Rector: Academic
- 3** Professor Lullu Tshiwula
Vice-Rector: Student Development and Support
- 4** Professor Judith Cornelissen
Acting Registrar
- 5** Ms Amanda Glaeser
Executive Director: Human Resources
- 6** Mr Abduraghman Regal
Executive Director: Finance and Services



1 2 3 4 5 6

Faculty Deans

- 1 Professor Duncan Brown
Faculty of Arts
- 2 Professor Hester Klopper
Faculty of Community and Health Sciences
- 3 Professor Yusuf Osman
Faculty of Dentistry
- 4 Professor Michelle Essau
Faculty of Economic and Management Sciences (Acting)
- 5 Professor Zubeida Desai
Faculty of Education
- 6 Professor Julia Sloth-Nielsen
Faculty of Law
- 7 Professor Mike Davies-Coleman
Faculty of Natural Sciences



1 2 3 4 5 6



7



Report of the **CHAIRPERSON** of **COUNCIL**



INTRODUCTION

It is once again a pleasure to report on the work of the Council of the University of the Western Cape (UWC). In accordance with the Higher Education Act (Act 101 of 1997), Council must govern the university subject to the requirements of the Act and the Institutional Statute. This report not only offers the unique opportunity to carefully reflect on a specific period, but it is also meaningful to consider 2012 within the broader framework of the university's goals, its history and its vision for the future.

The year 2012 began with the appointment of the new Chancellor, Archbishop Thabo Makgoba. Council shared the university's joy at his inauguration ceremony, and we wish him well and trust that his association with UWC will be meaningful.

Unfortunately, the year ended on a sad note when the UWC community, together with family and friends, commemorated the life of Professor Jakes Gerwel following his untimely death at the end of November. Prof Gerwel has had a profound impact on UWC. His legacy not only continues in the institution, but also in the lives of thousands of UWC Convocation members and alumni.

The year posed a number of challenges to Council, but upon reflecting on the various elements that constitute the key activities of a university, 2012 has been a year of significant achievements. In the rest of this publication, the Rector's report speaks to the achievements of and challenges faced by the management and administration, the Senate report focuses on teaching and learning, and research and innovation activities, and the Finance Review gives additional insight into the financial management and the financial performance of the university in 2012.

STRATEGIC FOCUS

Council approved the current Institutional Operating Plan 2010 - 2014 (IOP) in November 2009. This means that 2012 marked the halfway point in the implementation of the IOP. At every Council meeting the Rector presents a written report that speaks to the implementation of the various IOP goals. In addition to these reports, the various university publications, events and media coverage also attest to the efforts made in support of the realisation of the institution's vision through the pursuit of the various goals. Council is satisfied that the strategies that are being pursued to achieve the goals, and to bring about the required change are relevant and that the institution continues to place students, their holistic development and academic success at the heart of its endeavours.

It is encouraging that, from the different reports, the IOP seems to have filtered through to all levels of the institution and that it provides a dynamic framework that directs institutional effort.

COUNCIL MEMBERSHIP

In accordance with the Statute, Councillors (other than the Rector, Vice-Rectors and the SRC members) are appointed or nominated to serve on Council for a three-year term. This results in frequent changes in the Council membership, and during 2012 there were quite a number changes. I wish to thank the following members of Council whose terms expired during the year for generously offering their time in support of the university through the work of Council: Dr Patricia Gorvalla, Dr Yvonne Dladla, Ms Gugulethu Nyanda and Ms Laura Schultz – all appointed to Council by the Minister of Higher Education and Training. Allow me to extend a special word of appreciation to Dr Johan van der Merwe (representing the City of Cape Town) and Mr Nick Christodoulou (who served in the additional member category) who respectively chaired the Audit and Risk and Finance committees of Council. Council also specifically thanks Dr Gorvalla and Mr Christodoulou for their service and advice to Council over many years.

New Council members are Ms Xoliswa Bam, Mr Ongopotse Tabane, Mr Zamayedwa Sogayise, Mr Bhekinkosi Mvovo, Dr Raymond Patel (appointed by the Minister of Higher Education and Training), Mr Michael Jackson (donors); Councillor Antonio van der Rheede (City of Cape Town), Mr Mthunzi Mdwaba (organised business in South Africa) and Mr Khaya Somdyala and Mr John Matthews (additional members with specialist areas of skill). We are also pleased that the following members of Council are serving a second term: Ms Karen Barry (donors), and Dr Anwah Nagia and Ms Gayle Kaylor (additional members).

Council also elected Ms Gayle Kaylor as Vice-Chairperson of Council for a three-year period, until March 2015. It is a pleasure to continue to work with Ms Kaylor as a member of Council and in this new capacity. She is a critical thinker and an innovative and committed member of the Council.

SENIOR APPOINTMENTS

Ensuring that the university has appropriate senior leadership in place is a key Council responsibility. In view of their impending retirement, Council started reflecting on the important process of replacing the university's three most senior executive members in November 2012, namely the Rector, Vice-Rector: Academic and Vice-Rector: Student Development and Support.





Professor Mike Davies-Coleman, who was appointed as the new Dean of Natural Science during 2011, started his term in 2012, and Council wishes him well in his new position. Professor Hester Klopper, Dean of the Faculty of Community and Health Sciences (CHS), resigned at the end of 2012 due to personal circumstances, and as for Professor Christopher Tapscott, Dean of the Faculty of Economic and Management Sciences (EMS), his second term as dean came to an end. Council appreciates the efforts of both these individuals and wishes them well with their future endeavours.

Council was unable to fill the position of Dean of the EMS Faculty in 2012, and along with the CHS Faculty, these vacant deanships will be attended to in 2013. In the meantime, Profs Jose Frantz (CHS) and Michelle Esau (EMS) are acting as deans in these faculties.

Council also appointed the following individuals as deputy deans: Profs Juliana Smith (Education); Tamara Shefer (Arts); Gavin Maneveldt (Natural Sciences); and Rina Swart and Jose Frantz (Community and Health Sciences).

In view of the fact that the contracts of the Deans of the Faculties of Law and Arts both expire at the end of 2013, the process of possible extending the period of office of these positions, commenced.

In discussing the remuneration of UWC senior management, the Council Remuneration and Conditions of Employment Committee alerted Council to the challenges faced in terms of senior staff who are all remunerated well below the 50th percentile of the higher education market. This has implications in terms of the university's ability to attract and retain staff at these senior levels. Council will continue to give ongoing attention to the equitable remuneration of staff within the financial parameters of the institution.

FINANCE

Council noted the results of financial discipline and that UWC continues to operate as a going concern. Council is pleased that, despite the fact that UWC fees are amongst the lowest in the country, significant infrastructure development continues and there is a larger than expected deficit on the pension fund, the university managed to achieve a surplus that exceeds the national Department of Higher Education's 1% benchmark. In this regard, the financial discipline of all sectors of the university community and the oversight role of the Council Finance Committee, are acknowledged with appreciation.

INFRASTRUCTURE

Infrastructure development at UWC is a matter that is continuously addressed at Council through various reports. The Finance Committee regularly reflects on the financial implications of these developments, Reports of the Senate Physical Resources Committee are received via Senate and the Rector also updates the Council on implementation progress and challenges.

In 2012 universities were invited to apply for funding for the new round of infrastructure development allocations from the Department of Higher Education and Training (DHET). Following a process of consultation between the university and the DHET, Council approved the DHET's allocation of R187.1 million to be supplemented by a university contribution of R149.5 million for eight infrastructure projects. In addition, Council also approved that if needed,

some university funds, of which a maximum amount was determined, could be redirected to the Kovacs student accommodation project, a public private partnership project. This decision has been taken as a sustainability measure to reduce the immediate financial burden on students by reducing the base fee charged by the developer, which will also impact on increases going forward.

Through its Tender Committee, Council appoints contractors and consultants for the various infrastructure projects, which in 2012 included the ResLife Centre, the Dentistry extension project and architects for the Sports Stadium upgrade project. Based on the information available through the various reports mentioned earlier, Council is satisfied that these projects are being managed well and that the university is making good progress in providing for the space shortfall, whilst also attending to ongoing maintenance and the renewal and upgrading of existing infrastructure.

GOVERNANCE, POLICY AND KEY ISSUES

Council is the university's highest decision-making body with an overarching responsibility in terms of the university's governance and conducts its business with the assistance of a number of sub-committees. I want to acknowledge Councillors for the commitment with which they approach their work on the various sub-committees, ensuring the integrity of the governance processes. All sub-committees report on significant matters to Council.

Council further has the responsibility to ensure that Council Committees, especially those with a mandate of strategic or financial significance, are chaired by individuals with appropriate skills and expertise. Council authorised two fact finding investigations in response to formal complaints which fall within the governance jurisdiction of the Council. A review and rescind motion in the August 2012 Special Council meeting to overturn one of the fact finding mandates of the Council, was rejected.

During the last number of years the university's policy environment received ongoing attention to not only align policies with new or changed legislation, but to also address policy gaps and to ensure that policies, practices, and procedures are aligned. The work of the internal auditors, the Council Audit and Risk Committee and senior management is recognised in this regard. As a result of the work in prior years, 2012 only saw amendments to the Procurement Policy and the Appointment of Probation Policy.

The 2012 Student Representative Council (SRC) elections posed some challenges, but these were eventually resolved.

Council annually has the pleasurable task of giving recognition to a number of individuals. In acknowledgement of their academic standing and enduring commitment to UWC, Council approved that the title Emeritus Professor be bestowed on Profs Gerhard van der Horst and Don Cowan. Council also approved that, for a period of three years, the title of Honorary Professor be bestowed on Mr Samuel Isaacs in the Faculty of Education.

Through the conferral of honorary degrees, the university annually recognises and honours a number of key individuals, external to the university, for their respective contributions, and in 2012 Council approved the bestowal of Honorary Doctorates to Judge Essa Moosa and Advocate B Gawanas were approved. This is the highest honour a university can bestow on an individual, and through the conferral of these Honorary Doctorates, Council is pleased to welcome Judge Moosa and Advocate Gawanas to the UWC community.



Employment Equity remains high on the agenda of Council, and in noting the Employment Equity Report for 2011/12 against the targets of the Employment Equity Plan 2010 – 2015, Council expressed concern regarding the relatively low percentage of African staff and staff with disabilities. Council encouraged management to make use of available opportunities to address issues pertaining to equity and staff development and to encourage staff to declare disabilities. Council also requested regular feedback on employment equity issues.

Council noted the reports on activities of the Convocation as well as the report from the Annual General Meeting where, amongst others, Convocation requested increased representation on Council. This matter was referred to the Membership Committee for further attention. Council appreciates the growing number of Convocation activities and recognises that, comprising the university's graduates, academic staff and the university executive, Convocation is in a position to make a valuable contribution to the intellectual debates and development of UWC.

Upon the recommendation of Senate, Council approved the following new programmes, all located in the Faculty of Community and Health Sciences:

- Postgraduate Diploma in Nursing and Health Sciences Education
- Postgraduate Diploma in Advanced Midwifery and Neonatal Nursing Sciences
- Postgraduate Diploma in Nursing and Health Services Management
- Postgraduate Diploma in Advanced Psychiatric Nursing.

SOCIAL RESPONSIBILITY

UWC has a track record that attests to its commitment to providing access to higher education. The university actively promotes and enables access for students from the working and lower-middle classes, and especially students from previously disadvantaged schools and communities.

In addition to financial support through the National Student Financial Aid Scheme and the range of bursaries offered through donor and institutional resources, there are also various other programmes in place such as the Workstudy initiative, to provide additional financial support to students in need.

The Council is satisfied that the university's commitment to community engagement remains an important aspect of giving effect to the institutional mission and 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. Through its faculties of Dentistry and Community and Health Sciences, the university also delivers services to communities at numerous sites, resulting in hundreds of thousands of patients being treated annually.

The Council also recognised and expressed its appreciation for the university's continued commitment to fighting HIV/AIDS, and is satisfied that the university exercises its responsibility with regard to HIV/AIDS in all its core areas of activity.

INSTITUTIONAL PERFORMANCE

In reflecting on the university's performance, based on the range of reports received throughout the year, Council is satisfied that the required progress is being made towards the achievement of the institutional objectives as outlined in the IOP for the period 2010 – 2014. All the reports that follow reflect aspects of institutional performance in 2012, and the following are highlighted as high-level indicators of performance in relation to the university's strategic goals:

- Co-curricular activities are informed by a strength-based approach and provided in a coordinated way. These activities contribute significantly to providing a more holistic student experience at both faculty and institutional levels.
- Through its growing research stature and attention to innovative teaching and learning practices, UWC is increasingly able to reshape its academic profile by attracting and retaining excellent students from a diverse range of backgrounds.
- There is ongoing development and improvement of the administrative systems of the university, supported by the attention given to building a culture of accountability for the quality of work delivered, and in this way contributing to professionalising the support to the academic project.
- UWC is making good progress in implementing its Teaching and Learning Plan and continues to enhance the status of teaching and learning across the institution, resulting in improved teaching and learning practices, student engagement and success, and deepened research into the scholarship of teaching and learning.
- UWC continues to not only increase its annual research output, but there is also growing external recognition of the institution's research and innovation capacity as UWC continues to build a distinct identity around key niche areas, some of which already have international standing, attracting exciting new researchers and students to the university.



- The university's commitment to recognising that its overall success depends on its ability to attract, retain and development the right quality and mix of people at all levels of the institution, has gained significant momentum through a carefully designed talent stewardship process that is starting to bring together and develop the human resource capacity which UWC needs to reach its strategic goals.
- Through a range of efficiency and entrepreneurial measures the university not only continues operating as a going concern but is also beginning, through its recently established Business Innovation Centre and Technology Transfer Office, to open up opportunities for diversifying its income base for financial sustainability.
- The development of a coherent Campus Development Plan sets out to align the relationship between academic, enrolment and infrastructure planning and to translate, in concrete terms, the transformative potential of the university and its sub-region into implementable capital project priorities to help direct resources to areas of high strategic concern for UWC.
- Through its continuous achievements towards strengthening the institution's academic role at both undergraduate and postgraduate levels, coupled with infrastructure improvement and a solid financial position, the university's distinctive standing and profile, locally and internationally, continues to improve.
- Through visionary and highly capable leadership, underpinned by the security of good governance and accountability frameworks, the university continues instilling confidence in its strategic direction and manages the complex change processes that are necessary for it to realise its vision.

SELF-EVALUATION

The Council, through its various committees, strives to attain a balance between equity, excellence, capacity and delegation within the system of governance, in order not to compromise sound governance principles while ensuring the smooth operation of the institution. Considering the work of the Council as it related to 2012, the Council:

- on the information available, is satisfied that the management and leadership of the university are stable. Council recognise that the pool of available senior managers in higher education is limited, and that the number of senior leadership positions that will become vacant in the foreseeable future could pose certain risks that will require continued attention, including external equity considerations in terms of remuneration;
- continues to monitor the performance of the senior leadership in line with the strategic direction of the university;
- continues to monitor the alignment of budget, planning and performance;
- provides strategic focus and is kept abreast of strategic plans and initiatives;
- is satisfied that there are adequate controls in place for financial performance and the management of the institutional budget. The monitoring of financial management remains a key item on Council's agenda;



- is confident that the financial strategies implemented in accordance with the IOP are realistic and address key concerns, the monitoring of this remains part of Council's continued fiduciary responsibility;
- continues deliberating transformation issues, which remain high on the Council's agenda and include factors such as student and employee composition, the strategic institutional focus and the institutional culture;
- is continuously informed of the institutional environment through written reports from the Rector;
- is apprised of risks in key areas through reports from the Rector and the Audit and Risk, Tender, and Finance Committees;
- approves policies, ensures compliance with legislation, streamlines processes, and aligns policy and procedure in certain areas;
- is satisfied that the academic project is healthy, as is evident from the recognition extended to employees in terms of NRF ratings, the continuously improving publication output, and the number of research grants awarded to UWC employees. The Council receives quarterly reports from the Senate in this regard and regular updates by the Rector and Vice-Rector: Academic; and
- receives written reports from Senate and the Rector and is satisfied that ongoing attention is given to issues affecting student success.

CONCLUSION

Whilst remaining true to its mission, the University of the Western Cape continues to strengthen its position as an institution not only able to grapple with the realities of the country, but also as an institution actively engaging with global concerns.

The high premium that UWC places on providing access to higher education is evidenced by the dedicated efforts of staff to support students to also achieve academic success, and by carefully managing institutional budgets to keep tuition fees amongst the lowest in the country. Council is appreciative of the institutional efforts made in achieving these often competing goals and acknowledges that it is the result of broad institutional commitment towards shared ideals.

In closing, I would like to extend a heartfelt thank you to my fellow councillors for their continued enthusiasm, their commitment and the time and the energy they put into their governance responsibilities associated with UWC. Thank you for your support during the past three years which continues to enable me to fulfil my statutory duties as Chairperson of the Council.



Brian Williams
Chairperson of Council



Report of the **RECTOR**



Emeritus Archbishop Desmond Tutu formally retired as Chancellor of the University of the Western Cape (UWC) after a quarter of a century of selfless service. The year started on a celebratory note as the university community paid homage to the Arch, as he is fondly known on the UWC campus, and formally welcomed his successor, Archbishop Thabo Makgoba, at the inauguration ceremony in February 2012. We are grateful for the moral leadership role that the Arch played during the most difficult period of the university's existence and welcome his worthy successor as our new Chancellor. We are privileged that Archbishop Makgoba, a respected church and community leader, and a scholar in his own right, agreed to this formal association with UWC, and we look forward to strengthening our relationship with him.

Before reflecting on the year's performance I would like to pay tribute to the late Professor Jakes Gerwel - a colleague, friend and former UWC rector, whose untimely death in November 2012 came as a huge shock to us all. Jakes vacated the Vice-Chancellor position in 1994 to become the Director-General in the Office of President Nelson Mandela, but maintained contact with the university where he occupied the Nelson Mandela Chair in Humanities. At his 65th birthday celebrations in 2011, he presented UWC with a wonderful gift in the form of shares in Brimstone. As a university community we were honoured to host his memorial service on 1 December 2012, and to pay tribute to the man who not only guided UWC during a time of tremendous political turmoil, but who was also instrumental in setting UWC on a path of academic integrity and excellence. I have no doubt that history will reflect on the legacy of Jakes Gerwel, the humble man from the Eastern Cape, with kindness and respect. He will be sorely missed at UWC, and we will continue to honour his memory.

UWC's 50th celebrations concluded with the launch of the book *Becoming UWC, Reflections, pathways and unmaking apartheid's legacy*, edited by Premesh Lalu

and Noëleen Murray at the beginning of 2012. The book revisits the complex history of the university by critically reflecting on what it meant to think and reason through the legacy of apartheid. The foundational narratives, a photo essay, poetry and art that guided the university through the 1970s and '80s, provide thoughtful engagements with history and current searches into what knowledge means in a hugely divided society, given the aftermath of a violent and destructive past. Most importantly, the book invites readers to think ahead towards a concept of deracialised knowledge and its implications for a university today. This re-imagination relates directly to UWC's efforts to position itself as an *engaged university* where much of our intellectual engagement is aimed at trying to understand the changing dynamics of the society we live in and are continuously seeking to influence.

OPERATING WITHIN A STRATEGIC PLANNING FRAMEWORK

The major accomplishments in 2012 are all based on an agreed set of goals articulated in UWC's Institutional Operating Plan 2010-2014 (IOP). The consistency of the IOP framework enabled the leadership to nurture a culture of purposeful change, build organisational capacity, to align efforts with UWC's strategic intent and to promote accountable practices.

At many South African universities the idea of working within an agreed planning framework is still met with huge resistance and is viewed by many as contradicting academic freedom. UWC's history of operating within a planned framework has evolved significantly over the last number of years. Amidst the political turmoil of the 1980s, Professor Jakes Gerwel prepared a long-term vision for the institution, focusing on, amongst other issues, academic excellence and establishing a research culture.

In the late 1990s it became clear that a more detailed strategic framework was required, and at the end of 2000, UWC's first Strategic Plan was embraced by Council. The Strategic Plan provided a high-level framework which began setting the direction in the different areas of responsibility of the institution. However, this was a very difficult time in UWC's history. The institution was facing a leadership crisis; there was huge mistrust between governance and management; bankruptcy was looming; government suggested merging UWC with a neighbouring institution and staff morale was very low. One of the implications was that attention was not given to institutionalising the Strategic Plan and ensuring that it became a living and dynamic document. There was however a key planning document that followed the Strategic Plan - a five year financial turnaround strategy document which formed the basis of the ongoing Five Year Financial Plan (FYP).

In 2004, as part of the incorporation of Stellenbosch University's School of Oral Health, all universities that were affected by mergers and incorporations had to develop Institutional Operating Plans (IOPs). UWC's first IOP (2005 – 2009) was developed and resulted in the recapitalisation of the institution early in 2005. The first IOP kick-started, in a conservative way, a process of setting some financial priorities and targets in terms of academic and research performance.

The current IOP is the result of various campus-wide leadership engagements and is arranged around eight goals. These eight goals provide the framework for UWC to:





- strategically attract, retain and enable the development of students in line with our vision and mission, paying particular attention to growth in specific areas
- provide opportunities for an excellent teaching and learning experience that is contextually responsive to the challenges of globalisation and a society in transition, and which enhances students' capacity as change agents
- reshape the postgraduate student profile and enhance UWC as a significant research and innovation university, with increased numbers of postgraduate students and strengthened links with industry partners
- attract, retain, diversify and develop excellent talent to enable UWC to realise its vision and achieve its strategic goals
- develop a strong and diversified financial base allowing the university to make bold moves when opportunities present themselves, and to provide a buffer against challenging times
- shape its internal and external standing and profile as a vibrant institution through the use of diverse communication and marketing strategies to support our goals
- develop campus infrastructure and influence the development of the areas surrounding the university
- give effective leadership at all levels to maintain and develop a vibrant and viable institution of high repute.

Following the IOP's inception, university leadership has actively participated in several initiatives to align the direction of faculties and administrative units with the overall strategic direction. The senior leadership also identified 10 strategic change initiatives to accelerate the institution's ability to successfully deliver on key objectives within the IOP time-frame. The key institution-wide change initiatives focus on the following:

- holistic student experience
- reshaped profile (size, shape and mix)
- professional academic and administrative support services
- graduate success and attainment of desired graduate attributes
- establishment and development of research niches
- innovation
- knowledge, skills and values profile
- strong and diversified financial base aligned with strategic goals
- strategic influence and development of the campus and surrounding areas for academic excellence
- sense-making through leadership development and aligned practice.

UWC AS AN ENGAGED UNIVERSITY

When considering the brief description of the eight IOP goals mentioned earlier, it is quite clear that these goals are applicable to all higher education institutions as all universities should pay attention to these areas. For UWC, however, all of these goals are framed within the notion of UWC as an *engaged university*.

Currently, many universities refer to themselves as engaged and it is therefore important to unpack what this means for UWC. The IOP argues that the notion of the engaged university is useful to UWC at this time in its own history and in terms of where the country is. *Engagement* here is meant to encapsulate the university's evolving sense of itself, drawing from its history whilst embracing a new future. It helps to give meaning to UWC's role in taking forward the intellectual project in South Africa, which remains a deeply challenged society in a complex process of transition. As part of this society in transition, UWC is confronted by and must continue to address the significant development challenges shaped by its past, whilst also confronting the emerging challenges of becoming an active player in a globalised 'knowledge' economy. In choosing to be an engaged university this places UWC in an uncomfortable position where the tension between the past and the future as well as between the developed and developing needs of the country, must be kept in balance through a deepened understanding of and engagement with the different issues that constitute these often competing realities.

For UWC, this means actively engaging through its knowledge creation and dissemination roles, with the complex challenges that emerge from these very different but equally important realities. The IOP recognises that striving to be an excellent university in such a context requires, particularly at the organisational level, a consistent balance and management of the inherent tensions that emerge from these often competing demands.

From this understanding of the university's positioning, a range of transformation imperatives emerge that are aimed at building UWC's capacity to be a university engaged in the range of realities that constitute our society in order to play a critical role in the future development of the country. The IOP builds on achievements of the past and seeks to consolidate initiatives started before 2010. It not only speaks to strategies in the different goal areas, but also serves as the framing document for UWC's distinctive transformation process, which is embedded in the notion of being an engaged university.

UWC recognises that the transformation of higher education in South Africa forms a key element of the broader processes of political, social and economic transformation in our society. We also recognise that public higher education institutions in South Africa, through their practices and the manner in which they make sense of their knowledge generation and dissemination roles, can either reproduce the patterns of inequality that continue to shape our society, or be critical levers of change. UWC is committed to being such a lever by giving meaning to a distinctive academic role that helps to build an equitable, just and dynamic South Africa. To this end, in its 2025 vision, UWC indicates that through its activities and practices, it will "strive to be an effective partner in the larger national project of building a sustainable and equitable non-racial, non-sexist, democratic, multilingual society" (IOP, 2009).

These notions of engagement and transformation inform how we approach all the areas constituting and supporting the university's core mandate.

In choosing to be an engaged university this places UWC in an uncomfortable position where the tension between the past and the future as well as between the developed and developing needs of the country, must be kept in balance through a deepened understanding of and engagement with the different issues that constitute these often competing realities.



ADMINISTRATIVE STRUCTURE ACHIEVEMENTS

HUMAN RESOURCES

Our people are our most important resource, and the achievements reported in this document really reflect their successes. In today's doom and gloom news environment we often do not set aside sufficient time to acknowledge the contribution of our staff, and to tell them that we care, to share what changes are occurring in the workplace or why persistent talent development is necessary. Fortunately, we have in the Executive Director: Human Resources, Ms Amanda Glaeser and her team, the necessary commitment and passion to attend to delivery in terms of transactional services, and to increasingly provide line managers with more strategic support.

Our Talent Stewardship project gained significant momentum in 2012. It involves necessary people planning across all the faculties around pending retirements over the next five to ten years, and proactively devising strategies to address these challenges. To this end faculties completed overviews of desired roles and a profile of the skills and competencies of academic staff at all levels to guide the development of young academic staff at UWC. Following a successful pilot in the Law Faculty, the process is now being rolled out to other faculties. Other staff development initiatives include the finalisation of a coaching and mentoring guideline document and academic role formalisation to assist heads of departments and committees to assess academic staff performance for consideration of development interventions. In addition, our online service has greatly improved leave management.

In 2012 UWC had 30 middle leaders, including deputy deans, participating in leadership development interventions. The annual induction workshops for new middle leaders as well as participation in regional workshops by the Cape Higher Education Consortium (CHEC) are highly appreciated by the participants.

The IOP recognises the importance of a fair, reasonable and well-managed remuneration system, and of developing an effective approach to it. Considering that the payroll constitutes the largest portion of the institutional budget, we have worked tirelessly over the past years to address internal and external inequities and to manage staffing costs within budget and sector parameters. Especially important in 2012 was the full realisation of this strategy, which UWC has pursued for some time, to bring all staff to the mid-point of the higher education sector salary scales. With the exception of senior management, this has now been achieved after seven years of careful planning and processing. Despite reaching this important milestone, which represents a moving target, UWC remains significantly challenged to compete with other better resourced institutions, especially in enhancing our staff diversity profile, attracting excellent staff and maintaining affordable tuition fees.

In 2012, a total of 1 467 permanent staff members were in UWC's employ. Although we have a relatively low turnover of staff, which may be attributed to people's passion and keen ownership of the university's strategic intent, the loss of key people from time to time remains a challenge. This is of particular concern in areas of scarce skills and the retention of African staff. While healthy inter-university competition remains a welcome reality, we need to find creative ways to promote collaboration and avoid rival competition for a limited pool of experts in key fields.

STUDENT ADMINISTRATION

Under the leadership of the Registrar, Dr Ingrid Miller, we have successfully embarked on a student life-cycle approach to student administration activities that is accessible, responsive, easy to use and flexible. Unfortunately, due to ill-health, she was unable to fulfil her duties for the full 2012 period, and we drew on her Deputy, Professor Judith Cornellisen, to act in her stead. We extend our very best wishes to Dr Miller during this trying period. I am glad to report that Dr Miller's visionary shift in this department has yielded demonstrable results, including the integration and automation of systems and processes to provide on-demand responses to student and staff enquiries. The biggest success in this area is most evident in the prompt responses to enquiries, the speed and accuracy of online applications and the elimination of long queues during registration.

The year 2012 saw the consolidation and completion of the Student Administration Systems Integration (SASI) project as part of the larger Student Enrolment Management Systems (SEMS) project. SEMS has been developed and refined over a number of years and works from a single database, optimised for online transactions, to avoid duplication of data and ensure that all users can access a common view of a student's status. It is supported by over 300 back-office online screens and generates electronic letters and messages, integrating campus-wide applications and including several portals: (i) an academic programme portal; (ii) an applications portal to improve the turn-around time for processing applications, scanning paper forms, offering 24/7 access and processing application fees electronically; (iii) a student portal to register online and view marks and accounts; (iv) a tutor portal to record attendance at tutorials, practical and clinical sessions; and (v) the examiner portal to capture the academic evaluation of theses.

Enhancement in transaction costs and faster and more effective communication is evident in several areas. At the end of 2012, in preparation for 2013 registration, 97% of applications were done online. Tracking of the online activities on SEMS shows that 27% of applications are submitted outside normal business hours, with peak activities between 11h00 and 15h00. The automation of web-based selections has reduced the time taken to process student selections (from 10 days to 1 day) and significantly reduces missing module errors and timetable clashes. Another visible benefit of the system is the 24/7 use of the student portal by almost 90% of students. This has resulted in the elimination of unnecessary queues and a significant reduction in paper use.

In 2012, the Student Contact Centre was also completed through the SEMS project, and this greatly enhances the manner in which the university is able to communicate with applicants and students. A validation of all module descriptors was also done in order to include them in the newly established electronic qualifications database that allows existing and prospective students to view module descriptors in order to make more informed subject choices.

In addition to the system development and refinement processes, attention is also given to professionalising the human interface between staff across functional boundaries, and with students. To this end, a communication series involving workshops, dialogue and assessments was conducted to deepen everyone's shared understanding of the desired institutional culture. A process of revisiting the organisational design in relation to student administration functions is also receiving attention to improve effective and professional relationships and outcomes.



UWC has longstanding relationships with numerous donors, and their continued support helps the university to increase the number of students who receive financial support annually.

STUDENT FEE INCREASES AND FINANCIAL AID

UWC remains committed to providing access to students who were formally excluded from higher education and who struggle to afford a university education. Part of the strategy for giving effect to this is the National Student Financial Aid Scheme (NSFAS) which plays an important role in enabling indigent students to study. Because the university's fees are decidedly lower than most other South African universities, we are able to assist large numbers of students through this national initiative. There is a complex relationship between the commitment to provide access, and tuition fees, that requires continued stringent financial management. UWC is located in close proximity to four other universities and it competes with them for various resources, including staff and students. The fact that UWC's tuition income base is significantly lower than that of neighbouring institutions impacts the rate at which certain improvements to infrastructure, for example, can be made.

The annual increase in tuition and residence fees for 2012 was 10%. UWC's approach to student tuition and accommodation fees is strongly influenced by its mission of social equity and affordability, but fees have demonstrably been too low, in most cases now amounting to less than half of that charged by sister institutions in the region. For this reason, fee increases over the past few years have had to exceed inflation. UWC will not attempt to match the fees of its neighbouring institutions; however, it must take into account that the quality of its programmes, the required expansion of its infrastructure, as well as its financial viability will be compromised if fees and subsidies fall below the actual cost of delivering these programmes to the appropriate standards.

In 2012 the UWC Financial Aid Office administered a total allocation of R260.9 million compared to R231.1 million in 2011. Of this total, NSFAS allocated R199.8 million (2011:R126.2 million), which included bursaries. The university's own allocation to bursaries was R12.5 million, compared to R9.5 million in 2011.

UWC has longstanding relationships with numerous donors and their continued support helps the university to increase the number of students who receive financial support annually. Despite increased difficulties in attracting financial support in the current economic climate, UWC will continue building on existing relationships and in 2012 the Financial Aid Office was successful in forging new relationships resulting in further increases in the bursaries supporting the academic endeavours of our students.

FINANCIAL MANAGEMENT

All universities have the responsibility of managing their affairs in such a manner that it does not compromise the financial sustainability of the institution. For an institution such as UWC, this is a challenge that requires very careful management of resources and an ongoing commitment from all role-players. UWC is in a region where it competes for students and staff with two very strong local universities.

The university's institutional history and mission articulate a deep-seated commitment to providing access to higher education which includes, amongst others, a continuous focus on issues of affordability without compromising quality. Quality has many elements, and broadly considered in a university environment, it includes, amongst others: academic content that is relevant and responsive; excellent academic staff who are good teachers and whose teaching is embedded

in ongoing research; professional and supportive administrative staff who employ fair administrative processes; governance processes that are transparent and in accordance with best practice; access to a range of well-managed extra-curricular activities; facilities that are well-managed and maintained and that optimally support the teaching and learning activities, as well as the varying research requirements of the range of disciplines; an overall vibrant campus environment inside and outside the classroom that supports the range of experiences that constitutes what being a student is all about. All of the above costs money.

UWC's main sources of income are in the form of annual government subsidies and tuition fees. With fees that are amongst the lowest in the country, it is easy to deduce that UWC has to achieve its goals with a much smaller annual budget. Also, given its history as a disadvantaged university, it doesn't have a historical investment portfolio that can provide much needed support. Despite the continuing financial challenges, the annual financial statements in this report show a number of positive trends:

- Our year-end financial report yielded an audited surplus in unrestricted income of R16.3 million, which is 1% above the required norm.
- Our cash balance remained positive throughout the period. Our current ratio, expressed as the number of times the current assets exceed current liabilities was 424%.
- For nine years in a row (since 2004) the university has achieved an unqualified audit report which demonstrates that there were no material findings by the auditors.
- The 2012 budget was informed by the university's IOP and was closely aligned with the stated objectives for that period. This has left UWC in a financially sound position with expenditure well-managed by the finance department and monitored by the finance committee.

The IOP recognises that in addition to sustained financial viability, UWC has to develop a strong and diversified financial base. The institution continues to do exceptionally well in terms of its ability to attract earmarked research funding. The effect of this investment by a range of international and local research funding agencies is evident in the institution's growing research profile. In order to ensure that UWC does indeed have a diversified financial base, a number of initiatives are being introduced which are managed through the recently established Business Innovation Centre. The institution is also increasing its innovation capacity and this should also yield favourable financial results in the future.

The detail of the 2012 financial performance is provided in the Financial Review section of this publication.

STUDENT DEVELOPMENT AND SUPPORT

Under the leadership of the Vice-Rector: Student Development and Support, Professor Lullu Tshiwula, UWC's approach to student development and support is informed by a strength-based perspective through which students are recognised and valued as change agents. The IOP calls on the university to acknowledge this perspective in its implementation of co-curricular activities and interventions.

Important focus areas of the Student Development and Support unit, include leadership development and the strengthening of student governance. For more than a decade now the university management and the Student





Representative Council (SRC) have worked together to establish constructive and mutually beneficial relationships, serving the best interests of the institution. The university management is also very appreciative of the stance that respective SRCs have taken on important issues such as HIV and AIDS and the importance of academic excellence. Strengthening the capacity of student governance receives attention through, amongst others, various workshops aimed at increasing the skills and professionalism of student structures such as the SRC, Central House Committee (CHC) and SRC affiliate organisations. The focus of these workshops includes issues such as conflict management, financial management, professional reporting and event planning. UWC also has a Leadership Academy that runs various leadership development programmes. In 2012 the university also signed Memoranda of Understanding with some of the leading foundations in the country, including the Steve Biko Foundation, to embark on a further project of youth development under the banner of student leadership conversations.

Over the years, UWC's Peer Mentoring Programme (PMP) has become very sophisticated and is used by many other institutions as a model of best practice. In 2012 we had more than 200 senior students who were trained as mentors, and 900 first year students participated in the mentoring programme. The PMP is structured to not only support students academically but to also involve them in different aspects of campus life, all of this under the banner of "being part of the chain of change". Mentoring is provided through group and individual sessions and is also supported through social media and other virtual communities. Of the first-year students who participated in 2012, 82% passed their first year. Given the high failure rates at universities, especially amongst first-year students in the system, this is a remarkable achievement.

It is normally easier for students in residences to participate in the numerous activities that are available on campus, and in addition to the campus-wide activities, there are also residence-specific activities. These include various workshops offered to students that deal with a wide range of topics. Every residence has an academic development officer in place who is responsible for providing academic support to students, with daily consultation times. In addition to the mentoring programme, consultation with faculties has resulted in the appointment of 21 postgraduate students who specifically assist students with modules that have high failure rates.

UWC also takes the preparation of students for the workplace very seriously. Beyond the academic skills that they acquire through their degree programmes, students are also introduced to prospective employers through Career Expos. There were three such expos in 2012. As part of career development initiatives in 2012, students also participated in workshops in which interview skills, CV writing and job search strategies were addressed. Another important aspect of promoting holistic student development pertains to the creation of opportunities for students to participate in various volunteer activities. In 2012 UWC launched a Section 27, Not for Profit Organisation (NPO) named "Given 2 Give". This student-driven NPO creates a home for a number of special projects that already exist, and additional projects can be added. The projects will all benefit from operating under a common structure with a dedicated fundraiser under this umbrella body. In short, Given 2 Give recognises that students are involved in many development projects in a range of communities, and it serves as an umbrella organisation that will assist in coordinating various initiatives involving student volunteers. In addition to this initiative, the UWC RAG (Remember and Give) continues to provide outreach opportunities, and UWC has a very active Enactus branch (previously known as SIFE – Students in Free Enterprise) that annually embarks on a range of projects to support and educate communities.

SPORT

Sport can be an important catalyst for student development and for creating a cohesive campus community. The success of sport as a catalyst for change indicates its considerable potential to have an impact on South Africa's sport and broader development. UWC sport continues to draw many players and athletes from marginalised communities, and our key objective is for our student athletes to attain the highest levels of sporting achievement. This requires an athlete development pathway, from the talent identification and sport academy stage, through to the high performance levels of elite athletes.

The university is excited about the range of new developments and opportunities for student sport as well as the utilisation of UWC's sports facilities. In 2012, UWC successfully co-hosted, with the University of Stellenbosch, the International Rugby Board's Junior World Cup Competition. UWC received many compliments on the quality of the sports field and the welcoming atmosphere on campus. From June 2012 we also appointed the former national rugby coach, Mr Peter de Villiers, to assist the university in its sport development efforts and to prioritise and promote a number of sporting codes. This appointment, combined with physical improvements of the sport precinct, forms part of a bigger strategy to position UWC as a stronger regional hub for sport and development.

Student sport is one of the areas prioritised for student development, and during this IOP period, specific attention is given to the accelerated development of five focal areas: rugby, cricket, football, swimming, and athletics. Complementary to our internal development, Varsity Sports, which started with the Varsity Cup and Shield, has extended its scope to include additional codes. In 2012 UWC also participated in Sevens Rugby and women's beach volleyball. Additional codes planned for 2013 include athletics, football, netball, hockey and cricket T-20. The proposed format is for universities to compete to qualify for the top 8-10 positions, based on the existing University Sport South Africa (USSA) national tournaments held annually.

UWC hosted the 2012 USSA national football and aquatics championships where the top male and female teams competed. The aquatics component included water polo, which UWC is able to host for the first time due to the completion of a new outdoor swimming pool.

Competing in various competitions in 2012, UWC had teams participating in, amongst others: athletics, beach volleyball, chess, cricket, dance, football, netball, rugby, indoor volleyball, basketball, swimming and squash. At the USSA national competition, UWC achieved first places in chess, dance, women's beach volleyball and women's indoor volleyball. Our mens team placed in beach volleyball, and in athletics we achieved an overall second position in track and field events.

Approximately 15 UWC sports codes compete in provincial leagues and some of the 2012 highlights include:

- In athletics UWC was placed in the top 10 national athletics clubs and UWC athlete, Brent Stevens, was voted Athlete of the Series, and Bernice Roman, Best Upcoming Athlete, by the SABC commentating team.
- In 2011/12 UWC's cricket first team were once again league champions in the 1-day competition, 2nd in the T-20 competition and 3rd in the national championships.



- UWC chess players continue to compete in the premier league division.
- In dance, UWC won the top three positions in the inter-provincial competitions, the world trials and the South African Championships.
- Our netball teams all placed in the first position in their respective leagues,
- The 1st and 3rd squash teams won their leagues and the 2nd team achieved 2nd position,
- The UWC rugby team was promoted back into the Super B league,
- Two of UWC's junior beach volleyball players qualified to compete at the Junior World Championships.

We are also proud of the fact that UWC had two beach volleyball players (a student and one alumni) competing in the London Olympics. One of our athletes won a bronze medal in karate at the Commonwealth Games and two of our female rugby players represented South Africa at a Four Nations tournament in Canada.

THE CAMPUS AND SURROUNDING INFRASTRUCTURE

Universities are enduring institutions that necessitate long-term approaches to campus planning. The IOP sets out to strategically influence and develop the campus and its surroundings in ways that profoundly affect the quality of the entire institution. Several of our efforts in 2012 to create a distinctively built environment and implement major capital projects received a significant boost with the Minister of Higher Education and Training's approval of UWC's infrastructure investment for the period 2012/13 to 2014/15. The university Council supported the infrastructure investment programme and agreed to significantly co-fund these initiatives

The construction of the new five-storey Chemical Sciences complex gained significant momentum in 2012 and is scheduled for completion towards the end of 2013. Following the successful completion of the new Life Science Building and the facilities for advanced hydrogen research and the conversion of olefin diesel, the Chemical Sciences Building is now the next major development project in the science precinct. This project consolidation allows us to optimise the campus's holding capacity, achieving optimal density and avoiding the duplication of basic science education laboratories and costly bulk services. The departments of Chemistry as well as Geology will share the same building.



The university has noted the Mayoral initiative of declaring Voortrekker Road, running from Goodwood to Bellville, a Central Improvement District (VRCID) with a view to assisting with the regeneration of the sub-region. As part of an initiative to expand the university's footprint and actively partner in the renewal process, we acquired the former medical centre in the Bellville Central Business District (CBD). The main building comprises the ground floor and parking basement, with two towers of six and nine storeys respectively. The building will house a range of health science departments, lecture theatres, tutorial venues, simulation laboratories and an inter-professional faculty practice to serve the public in the CBD.

The substantive completion of several construction or refurbishment projects assisted with expanding our footprint and preparing additional facilities for functional use in 2013. These include (i) a new aquatic facility; (ii) an infill project at the Tygerberg dentistry campus; (iii) the refurbishment of old prefabs; (iv) the ResLife Centre; and (v) Phase 2 of the Kovacs residences.

- The construction and completion of a new aquatic facility in July 2012 - the new outdoor swim-down pool - added an additional aquatic facility for multi-functional recreational use by students and staff. The facility, 25 x 30m in size and 2m in depth, complies fully with the FINA requirements for short distance competitions and can be used as a water polo pool.
- The Tygerberg Dentistry infill project on the Tygerberg Hospital complex commenced in March 2012 with financial support from the DHET's Clinical Training Grant, and the refurbishment of the new public patient reception area and required dental chairs by the Provincial Department of Health. The first floor houses new office space, while the top floor adjacent to the student library offers study and recreation space for students. Despite delays relating to fire escapes, waterproofing and gas usage, an early 2013 completion is expected, on target and within budget.
- The refurbishment of the old Medical Biosciences prefabs assisted with creating interim teaching stock and compensating for the huge infrastructure backlog on and off campus. The lifespan of ageing and inefficient prefabricated space south of the Life Sciences Building has been extended for use as classrooms, tutoring spaces, offices and examination venues. This is a short term solution as the space is not conducive to best practice models of teaching and research. In addition, these prefabs are disproportionately expensive to maintain.
- Phase II of the Kovacs Public-Private Partnership yielded additional beds for use in 2013. During the same time, Phase III was commissioned to yield an overall total of 1100 beds. One setback that posed financial risk to the developer was an interim arrangement with Kovacs to decrease their 2012 fee base. Equitable access and affordability remain issues for future consideration.



A major ongoing challenge is UWC's relationship with its sub-region, and influencing the development of its surrounding areas. Perhaps most notable of the desolate quality of UWC's and CPUT's surroundings, is the impact on them of the neighbouring container depot – an urban planning aberration that sustains an unyielding industrial environment in close proximity to the universities and the surrounding poor residential areas. The depot drives a wedge between the surrounding communities and separates the two universities from the communities they should serve and the Bellville Central Business District. The adjacent area has a concentration of medical and pharmaceutical expertise and has potential for innovation and added value. At the moment, the surrounding area does not stimulate the much needed economic development around the campus that would provide the cultural and social amenities normally associated with university towns.

UWC has also made significant advances in terms of supporting stable information and communications technology infrastructure. Following South Africa's link to the new submarine SEACOM cable, the UWC-SANReN node was successfully commissioned at the end of 2011 to connect UWC to all higher education and other research institutions in southern Africa via a 10 GB link. This has had a huge impact in 2012, where units such as the South African Bio-informatics Institute (SANBI) and the astrophysics and other research units can use the increased bandwidth for large data exchanges. In terms of network infrastructure, we continued to deploy single mode fibre and thus 10GB of increased connectivity speed to more buildings on campus. The data centre backbone has been converted to a 10GB network and Cisco NEXUS equipment has been acquired as the basis for this conversion. In 2012 we appointed a new Director of Information and Communication Services, Mr Melvyn Christoffels, and he has re-focused the department's energy towards service delivery in support of digitising the campus. ICS governance has also received attention in order to streamline processes and ensure the required accountability. UWC still faces a lag in terms of its technology readiness and this requires ongoing attention to ensure that our systems and strategic technology capabilities are able to adequately support all facets of the academic project.

ALUMNI AND INSTITUTIONAL ADVANCEMENT

UWC's media presence has shown steady growth over the years, and we continue our efforts to engage via this medium with issues that affect our nation, as well as profile important research and other events on campus. UWC is at a critical stage in its development. Over the last decade it has doubled in student numbers and has become an increasingly significant force to be reckoned with in teaching, research and innovation. It plays a vital intellectual role in the development of our nation and continent.

Although the university has a large alumni base, it does not have a well-established alumni tradition. Over the years much attention has been given to reconnect 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. The UWC Convocation is also very active in arranging various events, including lectures on campus to bring former students back to their alma mater. We appreciate their efforts and the dedication with which they pursue this task.

There are a number of indicators used to measure performance in terms of the institution's reputation, including tracking its media coverage and breaking down the coverage to look at the ratio of positive to negative. In considering media coverage, we look at newspapers, magazines, wire services, the internet, broadcast television and radio, and UWC has managed to make positive inroads in terms of institutional coverage in all these areas. Through actively building relationships with the media, improving our understanding of their editorial needs and proactively engaging them around major events, our media exposure has substantially increased, and in 2012 our external monitoring feedback recorded 1 637 UWC hits in print media. In terms of the ratio between negative and positive media coverage, negative coverage constituted less than 1% of the overall publicity received.

There is still room for major improvement, especially in terms of improving our response time, and being more proactive, and we are attending to these matters. The hosting of major public events also plays a crucial role in profiling UWC in the media, and in 2012, the hosting of the US Secretary of State, Hillary Clinton, dramatically increased our media presence. The rand value of the 2012 media coverage is estimated at R51 million.

The university's website remains a critical communication tool, and it has caused much frustration during the last few years. Towards the end of 2012 we began developing a new website which will go live early in 2013. The intention is to implement a more dynamic and modern look and feel that simplifies the updating and uploading of information, and that is easier to navigate to access different kinds of information. Ensuring that the website remains dynamic and relevant is a challenge that will receive dedicated attention.

Annually, the university presents a range of public and memorial lectures which not only attract dynamic and inspirational speakers to the campus, but that also draw many visitors. The annual lectures include the Dullah Omar, Ashley Kriel, Desmond Tutu, and Julius Nyerere lectures. In recent years we also launched the bi-annual *Jan Rabie en Marjorie Wallace Gedenklesing*, and the Amy Biehl, Ray Alexander, Duclie September and Mahatma Ghandi annual memorial lectures. Through these lectures the university not only connects with a wide range of people, but it also creates the opportunity to engage with different societal issues.

REGIONAL PARTNERSHIPS

UWC continues to actively participate in the Cape Higher Education Consortium (CHEC) initiatives. CHEC is constituted of the four public universities in the Western Cape, and through CHEC the universities collectively engage the Provincial Government of the Western Cape through a joint task team. The intention is to meet the Western Cape Provincial Cabinet early in 2013 to agree on priorities to be taken forward jointly by CHEC and the Province. The Memorandum of Understanding (MoU) between the City of Cape Town and CHEC is being revisited, and it is envisaged that a new MoU will be signed early in 2013, forming the basis for ongoing collaboration between the universities and the City. Coordinated by CHEC, UWC also

UWC's media presence has shown steady growth over the years, and we continue our efforts to engage via this medium with issues that affect our nation, as well as profile important research and other events on campus.



participated in the undertaking of a Graduate Destination Study of the 2010 graduates from the public universities in the Western Cape. This initiative forms part of the work of the CHEC/Western Cape Government collaboration. The research report is expected early in 2013.

SUSTAINABILITY

All sectors of society are being called upon to re-evaluate how we go about our daily business in ways that are more sustainable. For UWC, this means defining a vision of long-term sustainability and clarifying the steps that need to be taken to achieve this vision. Some positive steps have already been taken in this regard, but a more focused approach is required to guide the different aspects of what happens on campus. In terms of buildings, for example, principles of energy efficiency and sustainability would have to be incorporated in all capital projects, operations and maintenance, with consideration of budgetary constraints and programmatic requirements.

UWC was awarded the national Green Campus of the Year award in 2012 at the inaugural African Green Campus Initiative in Port Elizabeth. The African Green Campus Initiative is a strategic response to climate change challenges facing universities, colleges and communities. It is based on the notion that campuses that address climate change by reducing greenhouse gas emissions and integrating sustainability into their curriculum will better benefit students and help create a thriving, moral and civil society. UWC won five awards at the conference, which included: recognition of student achievement (by Njabulo Maphumulo); best institutional presentation; most innovative programme (for using chipped branches and garden trimmings as mulch on campus flower beds); best designed outfit made from recycled materials; and most environmentally proactive South African campus.

The university is involved in various green campus initiatives. The campus is home to a 30ha private nature reserve which is rich in fynbos vegetation and located within an international biodiversity hotspot. Students are actively involved in managing the reserve through eradicating alien vegetation and maintaining fire breaks.

UWC's recycling initiative has also been a huge success, collecting an average of 70 tons of recyclables each month and creating employment for 120 previously unemployed people who sort the relevant materials. The university is also able to benefit financially from the recycling initiative by selling recycled materials to companies – and has estimated that it is able to reduce emissions by 840 tons of CO₂ annually. UWC also promotes sustainable mobility – using solar powered golf carts instead of cars for travelling significant distances across the campus, and promoting the use of lift clubs and public transport.

UWC was awarded the national Green Campus of the Year award in 2012 at the inaugural African Green Campus Initiative in Port Elizabeth. The African Green Campus Initiative is a strategic response to climate change challenges facing universities, colleges and communities.

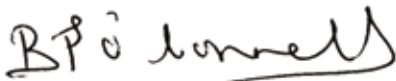


CONCLUSION

The year 2012 was challenging on many levels, but despite these challenges, all indicators (internal and from external agencies) confirm that UWC is doing exceedingly well and has established itself as a force to be reckoned with amongst the top South African universities.

We live in times of fast and ongoing change, however, and UWC has to continue transforming itself while being buffeted by the many national and global transformations. For the institution to consistently flourish, it will continue to rely heavily on high-quality institutional leadership and the support of its partnerships at all levels. The change challenge is immense, and I always remind our students, staff and alumni that in many ways UWC is a metaphor for South Africa and Africa. Our student composition is characteristic of our sub-continent and the resources available to us are as limited, but this does not prevent us from engaging with the world and envisioning an inspiring future.

We know that our challenging situation originates from our history of deliberate under-development, made even more problematic by dramatic global changes in both the natural and social spheres. However, we know also from our history of struggle that we are capable of meeting these challenges successfully. Ownership, commitment and competence are the keys to our success, and as leaders we will continue to embrace change, manage the tensions, maintain our edge and inspire a confidence in our people that we will endure.



Brian O'Connell
Rector and Vice-Chancellor



Report of the **SENATE**



Reporting on the academic activities of the University of the Western Cape (UWC) gives me great pleasure. The university continues to make huge strides in establishing a vibrant teaching and learning culture, is earning wide recognition for its growing research impact, and continues to expand its innovations activities.

Central to UWC's transformation goals is the implementation of processes of institutional change that strengthen UWC in its continuing endeavours to provide excellent academic opportunities for its students, most of whom come from economically and educationally disadvantaged backgrounds. Drawing from an understanding of the 'engaged university' as expanded on in the previous report, the provision of excellent academic opportunities must involve examining what is required from the academic project to equip students with the kinds of skills, knowledge and experiences that will enable them to participate equitably and with confidence in this complex, changing and knowledge-driven world.

The Institutional Operating Plan 2010 – 2014 (IOP) argues that, in pursuit of these transformation goals, the academic project must be characterised by quality teaching and learning processes that are contextually responsive and able to enhance the ability of all students to learn to their full potential, whatever their educational backgrounds. Similarly, it must support and give prominence to high-end, cutting edge research endeavours that build a culture of intellectual enquiry in which students are able to participate, and generate new knowledge essential to South Africa's development.

In addition, the university also accepts the responsibility of using its research base in support of the country's innovation aspirations, seeking the application of new solutions through more effective products, processes, services, technologies or ideas, and making these available to markets, governments and society.

This report speaks to some of our initiatives aimed at giving effect to these goals.

THE SENATE

The Senate advises Council on all academic matters and is supported by its executive committee and a range of sub-committees. The Senate and all its committees have clear terms of reference that set out their roles and responsibilities. The UWC Senate consists of:

- members of the university executive;
- Council representatives;
- deans;
- professors (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;
- 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.

The academic project is located in the university's seven faculties, namely the faculties of: Arts, Community and Health Sciences (CHS); Education; Economic and Management Sciences (EMS); Dentistry; Law and Natural Sciences. All faculties – except Dentistry – are located on the main campus in Bellville. The Faculty of Dentistry operates from two satellite campuses, one in Mitchell's Plain and the other at the Tygerberg Hospital Complex in Bellville. The university has now also acquired a building in the Bellville town centre, and following extensive renewal and modernisation, a number of departments in the CHS faculty will relocate to the new building.

The Vice-Rector: Academic, Prof Ramesh Bharuthram, and the deans are responsible for the leadership and management of the academic project. The substantial strides UWC has made are directly attributable to their committed leadership in relation to implementing the university's academic goals.

THE UWC STUDENT BODY

The Institutional Operating Plan 2010 - 2014 (IOP) clearly calls for the management of academic programmes and campus life in a manner that supports all students so that they have the opportunity to obtain the highest levels of knowledge and skill, equipping themselves to participate with confidence in our emerging democracy and global knowledge economy. UWC, in line with the national imperative, is committed to contributing



towards greater access to higher education, to respond responsibly to the need for growth across the higher education sector (especially in areas of scarce skills), and to provide a quality learning experience for all our students. In order to achieve this, the IOP also commits the university to a series of enrolment management strategies which aim to systematically influence the overall size and shape of the university.

Enrolment planning is not an exact science, and there are many variables that are not within an institution's control. However, through its enrolment strategies, UWC continues to work towards achieving planned growth that distinctly characterises the university by academic field, programme type and demography.

The next table provides an overview of headcount since 2001, and from the table it is clear that UWC has seen a substantial increase in headcount enrolment during the last decade. The rapid growth has had huge implications in terms of staff and facilities, amongst others.

Although the undergraduate (UG) to postgraduate (PG) ratio has remained fairly stable, it has required huge effort to ensure that postgraduate growth keeps pace with the steep increase in undergraduate growth over this period, and the university is especially pleased about the increase in doctoral enrolment. For 2012, the UG:PG ratio was 80:20. UWC plans to increase PG enrolment as a proportion of the overall enrolment over the next enrolment period.

	Headcount 2001 – 2012							
	2001	2003	2005	2007	2009	2010	2011	2012
First-time entering undergraduates	2 279	3 019	2 899	2 948	3 251	3 800	3 848	3866
Total undergraduates	8 026	11 146	11 531	12 042	12 871	14 297	14 878	15 598
Postgraduate to masters level	1 201	1 271	1 523	1 412	1 490	1 769	1 848	1878
Masters	1 074	1 381	1 205	1 105	1 419	1 489	1 485	1514
Doctors	198	245	321	368	423	504	556	600
Total postgraduates	2 473	2 897	3 049	2 885	3 332	3 762	3 889	3 992
TOTAL ENROLMENT	10 499	14 043	14 580	14 927	16 203	18 059	18 767	19 590

In 2012, the full-time equivalent student load was 78% (2011: 79.2%) of the student headcount. This shift is, amongst others, affected by the large number of foundation programme (extended curriculum) students who take modules with a lower FTE weight as part of the foundation portion of their degree studies. The projected FTE enrolment is expected to remain steady at around 80% of headcount.

In 2012, 34% of UWC's first-time students were enrolled as foundation programme students. At the end of 2012, in accordance with the national norm of 20%, the university decided to gradually reduce the number of foundation students as a proportion of the first-time students. Foundation programmes provide an excellent opportunity for students who are at risk of not passing their first year of study, and the university will continue to provide this option as per the agreement with the Department of Higher Education and Training (DHET), but the proportion will be gradually reduced over the next number of years. In view of the fact that a substantial proportion of UWC students come from educationally disadvantaged backgrounds, the university has various measures in



place to provide support to all its students, not only those enrolled in foundation programmes. In going forward, we aim to refine the selection processes identifying students to be enrolled in foundation programmes.

	Headcount by major field of study							
	2001	2003	2005	2007	2009	2010	2011	2012
Science, engineering, technology	2 456	3 163	4 360	4 574	5 027	6 646	6 838	7 116
Business/management	1 322	2 089	2 150	2 046	2 524	2 367	2 526	2 667
Education	872	1 551	1 307	999	1 074	2 072	2 100	1 805
Other humanities	5 849	7 240	6 646	7 270	7 562	6 972	7 304	8 000
TOTAL	10 499	14 043	14 463	14 888	16 186	18 056	18 767	19 588

The university has seen a marginal shift in its enrolment per major field of study. Science enrolments moved from 37% to 36%; Business moved from 13% to 14% and Education moved from 8% to 9%. Humanities remained stable at 41%. The university still seeks to achieve the mandated target for Science to grow to 40%. Achieving this target is unfortunately compromised by the low number of qualifying school leavers.

Female students still account for a larger proportion of total student enrolments, but they do not represent the majority of students in every discipline. The number of female students has stabilised at 60% of total enrolment. The university's forward projections expect that this trend will remain, and the institution does not have enrolment strategies aimed at influencing the gender split.

As UWC strives to be a vibrant intellectual space, it endeavours to embrace diversity as a key component of campus life that will ultimately assist in establishing an equitable and dynamic society that supports social cohesion and inclusiveness. The composition of the student body in terms of nationality, race, religion and language reflects a wonderfully diverse and dynamic campus community. This is supported by a deep-rooted institutional culture, a tradition of tolerance, and a willingness to embrace others. We remain mindful of the fact that this has to be nurtured constantly, and entrenched as a value through our conduct in every aspect of university life.

A breakdown of student enrolment by race indicates only slight changes, and currently the university has 43% African students (2011: 42%), and Coloured student enrolment remained stable at 47%. Indian students represented 5% (2011: 6%) and White students increased proportionately from 4% in 2011 to 5% in 2012.

Nationally, universities struggle with high attrition rates that impact on their ability to achieve planned enrolment targets. As part of a strategy to arrest attrition rates and better support student success and following a series of mini-studies in 2011 to investigate and understand factors impacting on attrition, the university has increased its activities aimed at responding to these factors. Incoming first-year students are encouraged to write the national benchmark test, after which the institution proactively uses the National Senior Certificate and National Benchmark Test results to identify students at risk. To mitigate the risk of early dropout, the university also initiated a broad communication campaign raising awareness of retention issues, and setting up social media networks to encourage increased student persistence.



Academically strong students also receive focused attention to encourage their continued postgraduate study. To this end, strategic honours bursaries have been established to support students, specifically in areas identified as research niche areas. Honours students in particular struggle to secure bursaries, and through this institutional investment in our top students we aim to facilitate their eventual entry into Master's and Doctoral programmes.

In 2011 the Minister of Higher Education and Training, Dr Nzimande, announced UWC's Council-approved mandated growth plan for the period 2011 – 2013. In essence, the growth plan permits UWC to increase its headcount from 16 203 in 2009 to 19 485 in 2013. UWC slightly exceeded its 2013 enrolment target in 2012, but with managed growth the university should remain close to target at the end of the enrolment period. Towards the end of 2012, the Minister requested institutions to prepare enrolment plans for the period 2014 – 2019. These must be submitted early in 2013 in order for the new institutional mandates to be approved in time for the 2014 registration cycle.

The data above reflects a university that is serious about providing affordable access to higher education to an increasing number of students. In registering at UWC, students become part of the university community in which our academic efforts are geared towards providing them with a stimulating academic experience that results in degrees that equip them to actively participate in building a new future for themselves, their families and the nation.

QUALITY ASSURANCE

For universities, the quality of their academic programmes and the processes supporting their academic projects are of the utmost importance. As part of the quality assurance processes associated with the academic project, UWC has a rigorous process of academic review, using external advisors. Departmental academic reviews are at the heart of the institution's means of promoting quality as well as continuous improvement. Other methods include self-evaluation through the annual reports of departments and faculties, and external peer review through external examining. Departments undergo rigorous reviews of this nature every five to seven years. The university reviews a number of departments annually, and the following departments were reviewed in 2012:

- Economics Department, Faculty of EMS
- Educational Psychology Department, Faculty of Education
- Legal Aid Clinic, Faculty of Law



- University library
- Mathematics Department, Faculty of Natural Sciences
- School of Nursing, Faculty of Community and Health Sciences
- Academic Development Unit, Faculty of Economic and Management Sciences

In accordance with the provisions of the Higher Education Act (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 university Council. The Senate advises the Council on quality assurance matters, especially on academic affairs. There are various Senate committees, or joint committees between the Senate and the Council, which advise the Council by means of written reports concerning the areas specified in their standing orders.

TEACHING AND LEARNING

UWC's mission places excellence in teaching and learning at the forefront of our commitments. This requires ongoing attention to the viability of our academic offerings and their relevance to national and international needs. In the pursuit of excellence, UWC aims to offer a supportive and stimulating teaching and learning environment. The university developed two important documents in support of the current IOP, namely the *Charter of Graduate Attributes* and the *Strategic Plan for Teaching and Learning*. These documents provide a clear guiding framework in support of the institution's strategic goals in the areas of teaching and learning. In accordance with the Strategic Plan for Teaching and Learning, the university has a range of activities that focus on constantly improving teaching and learning practices. Among these are integrating graduate attributes into the curriculum to ensure that we remain focused on the holistic development of our students.

Since the adoption of the UWC Teaching and Learning (T&L) Strategy in 2010, focused attention has been given to strengthening this important aspect at UWC. Over the years we have learnt that successful implementation of specific, institution-wide plans requires much more than just a plan that is widely accepted. It also requires solid structures to support individuals with the specific responsibility of overseeing and driving implementation.

An initial key decision in this regard was the establishment by the Deputy Vice-Chancellor: Academic, Professor Ramesh Bharuthram, of the Directorate for Teaching and Learning that reports directly to him and Prof Vivienne Bozalek was appointed as director. Following her appointment attention has been given to the appointment of deputy deans for T&L, and the university also created new posts and appointed T&L specialists in a number of faculties. In addition, Senate and





Faculty T&L committees have been established to oversee the implementation of the strategy at different institutional levels. All faculties also developed their own T&L implementation plans in support of the institutional T&L strategy.

At the end of 2012 a review process was undertaken by all the individuals mentioned above to examine progress in accordance with the 2010 – 2014 Implementation Plan of the T&L strategy. As part of this process, attention was also given to prioritising areas for 2013 in order to achieve the goals set out for 2014.

A report of this nature does not allow for detailed descriptions of all the central or faculty-specific activities in relation to strengthening T&L and the implementation of the T&L Strategy, but we would like to highlight the following:

- improving teaching and learning practices among employees, especially in the foundation year programmes;
- *writing for publication* workshops are held annually and are resulting in an increase in publications, particularly by participants in these workshops;
- colloquia and seminars arranged by the Directorate to promote the scholarship of teaching and learning across the institution;
- incorporating T&L aspects into normal academic processes such as the probation, promotion and appointment of academic staff, and the review of academic programmes;
- supporting research endeavours in the scholarship of T&L, including specific research projects and attendance, and the presentation of initiatives at various T&L conferences;
- In the last three years a total of 72 new staff members across all faculties have attended the *Induction to Teaching and Learning* short course;
- in 2012 a series of workshops and seminars were arranged for UWC staff with internationally acclaimed academic, Professor Joan Tronto, of the University of Minnesota;
- The 2012 academic year also included a seminar series on theories of T&L, jointly hosted by the Directorate of Teaching and Learning and the Arts Faculty; and
- T&L is also supported in all faculties through a well-developed tutoring programme.

The professionalisation of T&L continues to be a major focus, and in support of this focus a university-wide professional development course has been created and implemented. A new international journal of T&L, *Critical Studies in Teaching and Learning*, has also been initiated and the journal will be launched formally in 2013. The platform is open-source, using Open Journal Systems, and the journal will be available online exclusively. The UWC library will host the journal on its server and provide technical support.

UWC is also an active role-player in regional efforts to strengthen T&L. As part of these regional efforts, a Postgraduate Diploma in Teaching and Learning in Higher Education has been developed and accredited by the Department of Higher Education and Training and the Council on Higher Education to begin in 2014. The Cape Higher Education Consortium's (CHEC) regional

T&L courses, including a course on e-pedagogy across the four HEIs in the Western Cape, have also been further developed during 2012, and seven new courses were developed to be implemented in 2013. UWC continues to play a central role in this collaborative project.

Embedding graduate attributes into academic programmes and curricula is an ongoing process, and in a number of faculties the Directorate has assisted Deputy Deans and T&L specialists to map their curricula to the UWC graduate attributes. A new module outline template and guidelines for implementing this was developed during 2011, and in 2012 faculties started implementing the new guidelines.

The UWC *eLearning* project continues to gain momentum, and the eLearning Development and Support Unit provides training and support to lecturers for a wide range of eLearning initiatives. The university also took a key decision regarding the eLearning Unit, in that it now reports to the Deputy Vice-Rector: Academic. The unit was initially developed as part of the university's Information and Communication Systems portfolio, as a means to explore the possibilities offered by new technologies.

The work of Dr Juliet Stoltenkamp and her team is now firmly embedded in the academic project of the university, and it focuses on facilitating learning that is enhanced through access to and the use of technology with which to create, distribute and retrieve digital content. The unit plays a critical role in promoting and enabling the use of technology by lecturers. The number of lecturers using technology to enhance their teaching grows annually, and there is also an increase in lecturers using social media effectively to communicate with students and stimulate debate around certain topics.

Providing adequate technology infrastructure for students remains a challenge, but we improve in this area every year. The eLearning platform will also be revisited in 2013 to ensure the optimal effectiveness of the system.

INTERNATIONAL PARTNERSHIPS

The mission statement reminds us that UWC is a national university alert to its African and national context, and committed to the furthering of global perspectives among its staff and students. The university continuously pursues the strengthening of existing national and international relationships while exploring new partnerships in support of its strategic direction. Internationalisation is appreciated as an aspect that cuts across all endeavours of the university, including teaching and learning, research and innovation.

It is impossible to report extensively on international collaboration as it takes many forms in universities, including individuals or departments in different institutions collaborating on specific projects or around specific themes. For the purpose of this report we therefore focus on some of our most important institution-wide partnerships.

Overall, the institution has 140 agreements with international partners in Africa, Australia, Europe, Asia and the Americas. In Europe we have 41 active partners and in the USA we have 17. One of the institutional strategies is to look at the different regions and to identify 2-4 strategic partners with whom we have had a sustainable collaboration over a period of time, and to expand these partnerships from bilateral to multilateral, with the involvement of more universities from developing countries, and especially from our own continent.

The university continuously pursues the strengthening of existing national and international relationships while exploring new partnerships in support of its strategic direction.



It is quite pleasing that partnerships with universities and university colleges in the Nordic countries have continued growing. This is supported by the growth of the Southern African-Nordic Centre (SANORD) partnership. The SANORD administrative centre is located at UWC. By its very nature, the increased interest and participation in the SANORD network has also resulted in growth in our partnerships with southern African institutions. SANORD now has 42 member institutions with 17 Nordic universities and 25 SADC institutions. It is clear that SANORD's policy of funding multi-institutional and multi-national projects has resulted in interesting cooperation among its members. Furthermore, the longstanding cooperation with Norwegian institutions through the Norwegian Agency for Development Cooperation (NORHED) and exchanges of students in a variety of strategic disciplines, continue.

Service learning and community engagement have grown as key strategic areas within the university's approach to internationalisation. Since 2002, cooperation with the Hogeschool van Arnhem en Nijmegen in the Netherlands has resulted in previously unheard of opportunities. This engagement, involving several health-related disciplines, has provided UWC with a strategic edge in terms of community involvement in the T&L process. The rural setting of the communities involved in this project adds a unique dimension to the quality and relevance of the academic process.

Semester study abroad forms an important part of internationalisation and UWC continues to host students from institutions such as Hogeschool van Arnhem en Nijmegen and Utrecht in the Netherlands; Gent in Belgium, Dortmund, Humboldt and Konstanz in Germany; Johannes Kepler in Austria; Gotland in Sweden; Bergen, Oslo and Stanvanger in Norway; and Marquette and Arcadia in the USA. Various UWC students also studied abroad and we continue looking for such opportunities to impact on and expand the holistic learning experience of our students.

Another important international partnership is with the Erasmus Mundus (EM) programme which was established in 2009. It was designed to enhance the quality of European higher education and to promote dialogue and understanding between people and cultures of the two regions. The overall objectives of this programme for South Africa, and in particular for UWC, include the further development of human resources, the enhancement of international capacity of higher education institutions and the university's internationalisation processes. UWC is one of eight South African universities currently participating in more than one EM programme. There are 23 European universities from 13 countries (Belgium, Brno *Czech Republic*, Denmark, France, Germany, Italy, Lithuania, Netherlands, Poland, Slovenia, Spain, Sweden, United Kingdom) involved in the EM programme, and it provides academic mobility and capacity building opportunities for UWC students and staff.

UWC's postgraduate mobility is well supported through various research grants awarded to scholars. The low mobility totals of our undergraduate students, mainly due to socio-economic factors and at times the mismatching of course content, still remains a challenge. Many of UWC's existing international agreements neglect to provide reciprocity in student exchanges, and in our revision or renewal of partnership agreements we continue to strategically negotiate increased UWC student exchange.

The Dynamics of Building a Better Society (DBBS), a cooperation programme with designated Flemish universities in Belgium, and taking the form of an innovative, strategic cross-faculty programme, continued for the tenth year. Supported by the Flemish Inter-University Council (VLIR), DBBS builds research capacity in



areas vital to social transformation and has engaged major scholars from the Universities of Antwerp, Ghent, Leuven and Brussels in sustained cooperation with UWC staff and students. This support contributes to various UWC strategic outputs, and takes the form of prestigious scholarships, research projects, co-supervision of theses, employee and student exchanges, and capacity building. A critical aspect of the second phase of this project, which is currently underway for the period 2008 - 2013, is the ongoing development of five research centres at UWC. VLIR also supports North-South-South cooperation, and this supports UWC in managing relationships with Mozambique, Ethiopia, Cuba and other countries. The DBBS projects are: Citizenship and Democracy; Sport Sciences for Development; HIV Prevention and Care; Water for Ecological Sustainability; Multilingual Citizenship and Cities in Transition; Student Quality of Life; and Information and Communication Technology.

The 27-year partnership with the University of Missouri System (Columbia, Kansas City, Rolla and St Louis) is a great ongoing benefit for both institutions, and UWC's flagship international partnership. We often use this partnership, and the institutional relationships that have developed as a result, as examples of what institutional partnerships can achieve, and we continue nurturing and expanding the relationship through the consolidation of existing and the pursuit of new opportunities. The use of technology is enhancing the internationalisation-at-home experience for both institutions, and we believe that this will have a positive impact on the large numbers of students who cannot participate in mobility programmes in particular.

In 2012 we also explored expanding our longstanding relationship with the University of Missouri System, as well as the decade-long relationship with the University of Ghent through the DBBS project, into a triangular relationship between the three institutions. Exploratory conversations have been met with huge support by both international partners, and we plan to formalise a new arrangement between the three institutions in 2013.

RESEARCH AND INNOVATION

In the university's mission statement, the commitment to excellence in research recognises knowledge as the driver of our core mandate as a national university. Striving for excellence must therefore revolve around understanding and taking forward the university's role as a centre for advanced knowledge production and scholarship. UWC's research output and quality has improved dramatically during the last few years, and we have received national recognition for the excellence of several programmes. The university continues its efforts to improve the quality of our postgraduate offering, evidenced through improved graduation and throughput rates, and we have made considerable progress in the development of research niche areas.

The IOP acknowledges that, while the research context presents many challenges, it also creates opportunities for the university to excel in areas that will place it at the cutting edge of the production and transfer of new knowledge in key fields-nationally, regionally and internationally. UWC is committed to strengthening and expanding the number of niche areas of excellence that constitute our distinctiveness and support the institution's responsiveness to societal concerns. In addition to institutionalising and developing our research capacity, these new opportunities require strong intellectual leadership on a broader front-leadership that can envision what may be possible through innovative, critical and rigorous scholarship, whatever the constraints.

The university continues its efforts to improve the quality of our postgraduate offering, evidenced through improved graduation and throughput rates, and we have made considerable progress in the development of research niche areas.





Dedicated to having oversight over the university's research activities, the Senate Higher Degrees Committee is a very important watchdog that quality assures the processing and supervision of the university's postgraduate degrees.

At the beginning of 2012, UWC was awarded 7 SARChI Chairs by the National Research Foundation (NRF), the highest number awarded to any university in the last round of applications. The main aim of the South African Research Chairs Initiative (SARChI) is to strengthen the scientific research leadership and capacity in South African universities. This will create a sustainable critical mass of world class academics and scholars who will train future generations of South African knowledge workers and support a South African knowledge-based economy. Following the 2012 award, UWC now hosts 11 SARChI Chairs, occupying the 4th position nationally with the University of KwaZulu Natal. UWC's SARChI Chairs are located in the following areas:

- Nano-Electrochemistry and Sensor Technology
- Microbial Genomics
- Earth observation applications for water resources assessment and management
- Multi-Level Government, Law and Development
- Nuclear Science
- Astrophysics - Cosmology with Multi-Wavelength Data
- Health Systems, Complexity and Social Change
- Bioinformatics and Human Health Genomics
- Land issues and Poverty Alleviation
- Astronomy and Astrophysics
- Mathematics Education

In all of the areas mentioned above, UWC has considerable expertise. The one area that has shown remarkable growth over the last few years is the rapidly growing astronomy and astrophysics group, carrying out research in observational and theoretical astronomy and cosmology. The group has contributing scientists from several departments within UWC and is also involved in many of the national and international projects planned for MeerKAT, the pathfinder telescope for the Square Kilometre Array (SKA), and for the South African Large Telescope (SALT), South Africa's 10m-class optical telescope.

UWC, with funding from the Department of Science and Technology, has introduced a very exciting new module for the offering of a Masters in Nanoscience. This programme is offered jointly with the University of Johannesburg, the Nelson Mandela Metropolitan University and the University of the Free State. Students in this programme register at their home institution, but then spend the first year of their studies at UWC. UWC has considerable expertise in the area of nanosciences, and the programme also brings top international scientists to UWC to work with

students in their joint first year. In 2012 the first 21 students studying Physics, Chemistry and BioMedical Sciences enrolled in this unique offering, and we expect the number to grow to more than 30 in 2013. The programme is designed to eventually include 40 students from the different institutions. After their first year at UWC, students return to their own universities where they continue to work with their supervisors.

In many areas of research, the availability of appropriate equipment directly impacts on the research, and we are very pleased that the UWC Electron Microscope Unit received a donation of an upgraded Scanning Electron Microscope (SEM) in 2012 from Mineral Services. This piece of equipment will significantly enhance our capacity to probe some of nature's smallest phenomena. We also recently launched the opening of a PetroSA sponsored facility where important research is done in the area of synthetic fuel. These research facilities are important building blocks for establishing an innovation culture and preparing a new cadre of highly skilled scientists.

The Division for Postgraduate Studies (DPGS), led by Prof Lorna Holtman, plays an important role in supporting postgraduate students and in building staff capacity to achieve this.

A key indicator of the students' research experience is the higher degree of completion rates and times. We are pleased to report that, on average, our Masters and Doctoral students' time-to-degree rate is 3.2 and 4.8 years respectively, compared with the internal benchmark of three and five years, which many South African universities struggle to achieve.

Some of the 2012 highlights of the work of the DPGS include:

- UWC – University of Missouri (UM), joint course on Dissertation Writing which was delivered via video conference. Faculty members from both UWC and UM successfully offered the joint course on dissertation writing to newly registered PhD students in both institutions who are in the process of developing research proposals.
- The Postgraduate Enrolment and Throughput Project (PET) has developed an enhanced model for guiding research proposal and thesis writing for academic writing coaches.
- The Postgraduate Resource Laboratory in the UWC library was redesigned and refurbished to create a more conducive atmosphere for research.
- Members of the Senate Higher Degrees Committee and Senate Appointments Committee, together with student administration staff, engaged in dialogue to improve the SASI database architecture, data fields and online query user interface. Furthermore, the workshop audited the quality assurance processes and reviewed the current committees tasked with awarding different postgraduate degrees and amending existing rules, procedures and guidelines pertaining to postgraduate studies and examinations.
- The multi-disciplinary team who present the PET workshops have refined their understanding of the critical research needs of postgraduate students, and as such, continue to respond more appropriately through the courses and workshops offered as interventions to strengthen the research competence and academic writing proficiency of students.



Our research output continues gaining national recognition for excellence, showing the soundness of our strategic intentions to strengthen both research niche areas and distinctive innovation capabilities.

- Generic postgraduate workshops, covering a range of topics, were again offered to students from all the faculties and any other institutions in the university on most Saturdays during the academic year. These workshops are free of charge to registered UWC students and staff, and attendance is confirmed by expression of interest via electronic booking systems. Through these workshops Masters and Doctoral students are skilled in various aspects of research design, comprised of the role of theory in research, qualitative and quantitative research, literature review, synthesizing findings and developing conclusions, and academic writing.
- In addition to the generic workshops mentioned above, some faculty workshops are tailor-made to suit the desired needs of faculties and institutes. In this regard, the DPGS team has designed a series of workshops specifically for students enrolled in the Postgraduate Diploma in Land and Agrarian Studies, and Bachelor of Science Honours In Sports and Recreational Sciences.
- The division continues to manage a number of computer laboratories that render efficient services to the general postgraduate population.

The Vice-Rector: Academic, his staff and deans of faculties continue focusing on building an understanding of the importance of developing areas of research excellence around which research capacity can grow and proliferate. Similarly, much work has gone into establishing and/or strengthening research partnerships with local, regional and international partners, which are key to building these research platforms across the university.

In 2009, the Vice-Rector: Academic initiated a structured staff relief process to upgrade the qualifications of academic staff and increase our supervisory capacity. Since the inception of the programme, 36 staff members have completed their doctoral degrees. At the end of 2012, UWC reached the point where more than 50% of our permanent academic staff have PhDs, with more graduating in 2013, placing us amongst the top universities in the country in this regard.

Our research output continues gaining national recognition for excellence, showing the soundness of our strategic intentions to strengthen both research niche areas and distinctive innovation capabilities. In 2011 and 2012 the National Research Foundation (NRF) provided updated information on a research impact study they conducted. The study considered all publications by South African researchers and linked them to the university with which the authors were associated while writing their research papers. As a relatively young university, UWC features 5th, excluding the NRF itself, in the overall national research output profile.

This NRF study is very important in that it not only looked at the number of research papers produced by universities, but also considered the impact of what was published. It did this by focusing on the citation of the research produced by an institution in the work of other researchers, which changes the picture completely. UWC, being a medium-sized institution with much less publications than well-established South-African universities, has had an immense impact in terms of its research output.

In the areas that were assessed, UWC performed as follows:

- Computer Science – UWC’s impact was the second highest in the country.
- Physics – we were rated the best in the country.
- Molecular Biology and Genetics – we placed number one in the country.
- Biology and Biochemistry – we were rated as the institution having the biggest research impact nationally.
- Space Science – we are starting to feature favourably in an area in which we do not have historic strengths, but in which we are increasingly building capacity.

We are also very pleased that in terms of the NRF assessment of UWC’s institutional areas of research, it is evident that our research culture strongly supports collaborative research, which is something that we have actively promoted for many years.

INNOVATION CAPACITY

UWC has mapped out an ambitious strategy for achieving excellence through research and innovation. Following the adoption of the IOP, the UWC Research Policy was approved at the end of 2009, providing further detail to guide faculty planning and to give greater clarity in terms of research efforts – both generally and in carefully selected niche areas. Faculties have identified approximately 16 niche areas to highlight UWC’s clusters of high-quality research, the generation of new knowledge through scholarly and innovation activities, and contributions to regional economic development and the public good. Strategies towards this end have included:

- the strategic appointment of scholars to mentor young researchers and enhance the research standing of the focus area;
- the appointment of post-doctoral fellows;
- dedicated funding for research development and promotion; and
- the establishment of strategic partnerships and networks.

Further opportunities being pursued relate to the challenge of innovation: the movement from the point of invention to the point of sale or public benefit. UWC’s efforts are supported by the emerging national innovation system and legislation that makes us responsible for protecting any intellectual property that arises from publicly funded research. During 2011 the processes and implementation model for the Technology Transfer Office was developed and the model and funding towards its implementation was approved by the Department of Science and Technology.



UWC finds itself in the top group of South African universities in terms of its research output and impact.

We are pleased with the progress made in the areas of research and innovation. UWC has made great strides in giving impetus to the development of our innovation capacity, our innovation relationships and the protocols relating to the protection of our intellectual property. Since the appointment of a Technology Transfer Officer, Dr Douglas Sanyahumbi, and the head of the Business Innovation Unit, Dr Viresh Ramburan, a number of exciting initiatives have gained momentum. In association with UCT, we hosted a course on technology commercialisation entitled *From Lab to Market*.

- Our Bioinformatics Institute, SANBI, with the support of the Department of Science and Technology (DST), has improved drug resistance testing in HIV. This will reduce the cost of expensive and time-consuming tests now being undertaken.
- In addition to being the national validation centre for hydrogen research, our South African Institute for Advanced Material Chemistry (SAIAMC) is engaging industry partners to make components for our hydrogen fuel cells backup power systems, as well as for hydrogen storage. This will, amongst other things, replace conventional diesel generators with hydrogen consuming fuel cell power systems. A patent application has been filed and a prototype developed, which is already in use.
- UWC has also commissioned a pilot production plant for the production of lithium-ion batteries that are safer, more durable and portable, and that have higher energy densities. They are now actively exploring collaboration with industrial partners and the facility at Symphony Park should be fully operational in 2013.
- One of our Environmental and Nano Science researchers has developed a water treatment apparatus with specialised photocatalysts which destroys harmful microorganisms and assists with the rapid decomposition and removal of industrial organic pollutants. In the area of waste management they have also produced novel Zeolites (microporous catalysts with ion properties) that can be used in water purification, air pollution remediation, water softeners, the treatment of acid mine drainage and the scrubbing of flue gases from power stations. These initiatives are now being elevated to pilot or demonstration scale.
- A number of our students participated in a code jamming competition and developed novel mobile applications that will be commercialised with the assistance of an industry partner. A mobile apps factory is being established to develop capacity in this area of social innovation.
- In the area of agrochemicals, one of our researchers developed a botanical product which reverses resistance to pesticides in plant pathogens when applied in combination with fungicidal and bactericidal compounds (pesticides). This natural product, used with pesticides, has been demonstrated to reduce the dose of pesticides needed.

The tremendous effort and dedication of the Deputy Vice-Chancellor: Academic, Prof Ramesh Bharuthram, must be acknowledged when speaking about the academic project of the university, but specifically in relation to the huge strides UWC has made in the areas of research and innovation. UWC finds itself in the top group of South African universities in terms of its research output and impact, and the role of Professor Bharuthram is central to these achievements.

INSTITUTES, SCHOOLS AND RESEARCH CENTRES

We are confident that every faculty is strengthening their research niche areas and we are pleased that there are also new areas with growing expertise developing. The university has a number of Institutes, Centres and Schools that continue to do remarkable work. It is impossible to do justice to the work of these units in a report of this nature, but we would like to briefly highlight the work of some of them.

We are very excited about the work done by the **Centre for Humanities Research (CHR)**. The Centre was established in 2006 and has emerged as a crucial meeting point for researchers in the Humanities and Social Sciences throughout Southern Africa.

At the core of its research activities are lines of enquiry around: the programme for the study of the humanities in Africa; aesthetics and politics; law, violence and society; and space, technics and politics. Much of the thinking generated through the CHR's exploration of these concerns has been translated, contested and taken up by the national debate about the place and form of the humanities in South Africa's emerging democracy.

The CHR has a range of well-established national and international partnerships which brings us in contact with academics and students from a diverse range of countries across the globe. The Centre has also been confirmed as the national host institution for a catalytic project of the national Charter for the Humanities in South Africa on *Hidden Voices in Arts*, hosting as initial project activities two ground breaking exhibitions of the Community Arts Project collection, which culminated in a major event with the Handspring Puppet Company at the Iziko South African National Gallery. The CHR is also the host institution in Cape Town for the prestigious American Council for Learned Societies African Humanities Fellowship programme, open to postdoctoral fellows across the African continent.

The **Community Law Centre (CLC)** was established in 1990 and works to realise the democratic values and human rights enshrined in South Africa's Constitution. It is founded on the belief that our constitutional order must promote good governance, socio-economic development and the protection of the rights of vulnerable and disadvantaged groups. The Community Law Centre (CLC) has a long history at UWC of combining law, social science and practical experience to create new knowledge and drive change. It is recognised throughout the country as a research centre that continues to make a profound contribution to South Africa's jurisprudence - from its emergence out of the anti-apartheid struggles of the 1980s, its intimate involvement in the development of South Africa's new Constitution, and through to its present standing as the home of the prestigious DST/NRF SARChI Chair in Multilevel Government Law and Policy.

In addition to its research activities, the CLC offers the only Masters' Degree on peace building, multi-level government and development on the African continent. It also offers a comprehensive doctoral programme and, through its SARChI Chair, is able to offer bursaries for postgraduate study in the area of multi-level government.

The CLC has a strong network of partnerships across the African continent and the rest of the world, especially with various United Nations' bodies, collaborating with UNICEF (Southern and Eastern Africa) in assisting African



Almost all of
ISD research
is therefore
concerned
with improving
society and
considering the
implications
of research
findings for
policy and its
implementation.

countries with policy and law reform to protect the rights of children and, through a unique collaborative agreement, provide research support to the United Nation's Special Rapporteur on Extreme Poverty and Human Rights. The CLC also provides research support to the African Committee of Experts on the Rights and Welfare of the Child, an international body under the African Charter of Human and People's Rights, and was a co-drafter of the first ever General Comment on article 14 (1) (d) and (e) of the African Women's Protocol for the African Commission on Human and Peoples' Rights. Within South Africa, in addition to its law reform work, the CLC is also responsible for producing the Service Delivery Protest Barometer, a unique time-series analysis of social protests in South Africa that is recognised as one of the most reliable and credible measurements of social unrest across the country.

The **Institute for Social Development (ISD)** is a research centre which undertakes research and offers post-graduate programmes within the field of Development Studies, a field that is concerned with the contemporary dynamics of social, economic, political and population change. The field of Development Studies and ISD's approach to research are multi-disciplinary in nature, drawing from diverse disciplines such as economics, political science, sociology, geography and demography and are concerned with exploring possible development options that will have benefit for society, especially our own. Particular areas of interest for researchers include urban and regional planning, the developmental state, employment generation, the role of technology and innovation in poverty reduction, and food security. An important component of ISD's research activities is understanding how evidence is constructed and used to develop policy for poverty reduction.

Almost all of ISD research is therefore concerned with improving society and considering the implications of research findings for policy and its implementation. Such research and its multi-disciplinary nature lends itself to the use of different research methodologies, including action research where researchers work with communities to identify priorities, design interventions, source funding for these, carry out implementation, as well as monitor and evaluate activities. In their course-work and research post-graduate students often work in close collaboration with civil society organisations and social movements, exploring what development options should be prioritised and implemented, and the intended and unintended consequences of these choices. Some exciting recent initiatives that ISD has been involved in have included preparing a cost and benefit analysis of the 2011 Population Census of South Africa, authoring the South African report on Millennium Development Goal One (Eliminate Poverty and Hunger) and exploring the role of aspirations and agency for local economic development projects.

ISD is also the South African coordinator of an Erasmus Mundus programme that provides opportunities for South African Development Studies Students to study at six prominent European universities. Each year, ISD offers substantial Masters and PhD grants in collaboration with our long-standing partner institute at the Ruhr University Bochum. Through this and other initiatives, ISD attracts outstanding students from across Africa, and many of its alumni have gone on to complete doctoral studies and to take up leadership positions in governments, civil society and international agencies.

The **School of Public Health (SoPH)** equips health professionals with the knowledge and skills to contribute to transforming the health and welfare sectors in developing countries. Established in 1993, SoPH is a World Health Organisation Collaborating Centre for Research and Training in Human Resource for Health

Development and it hosts the SARChI chair in Health Systems, Complexity and Social Change. Research conducted in the School covers diverse areas – from strengthening primary health care (PHC) and building district health systems to understanding and addressing the social determinants of health and their interactions, particularly with chronic and non-communicable diseases. The SoPH also focuses on the development of capacity for promotive and preventive interventions. Its projects engage policy, practice, and health outcomes, from the global level of globalisation to the micro level of individual schools and communities, with a significant concentration of work on policy development and the implementation of national and provincial policies.

The SoPH is involved in a range of different research areas which include, amongst others, research with UWC's Department of Dietetics. They have, for example, documented South Africa's rapidly changing and obesogenic food environment. The SoPH is also involved in research on the bottlenecks in South Africa's drug supply chain which is extremely relevant in light of reports of poor medicine availability in many parts of the country. Against the backdrop of well-known health, healthcare, economic and social challenges in South Africa, researchers pose questions of national importance about medicine registration policies, the pharmaceutical industry and public health need. The SoPH is a member of the Chronic Disease Initiative for Africa (CDIA), which is collaboration between all three universities in the Western Cape, the SA Medical Research Council, the Western Cape Provincial government, and Shree Hindu Mandal Hospital and the Ministry of Health and the Social Welfare in Tanzania, and Harvard University.

The SoPH is also home to the **UWC Centre for Research in HIV and AIDS** and addresses *HIV in Context*. The projects and people who work in association with the Centre develop, conduct, and apply research and teaching, engaging communities, schools, gender and social equity advocates, as well as the formal health system.

The **South African Institute for Advanced Materials Chemistry (SAIAMC)** is managed by a multi-disciplinary team of scientists and engineers, dedicated to developing technological innovation in the field of energy and focused on advancing the sustainable growth of the country through targeted beneficiation of its abundant minerals and natural energy resources. Access to affordable and sustainable energy from natural resources such as solar and wind energy is the key to the prosperity of the country, and economic storage of this energy is essential to match the output of these resources with societal needs the development and implementation of more energy efficient technology is another important way to extend the use of available energy, hence researchers at SAIAMC focus on developing highly energy efficient processes and energy storage technologies.

HySA Systems, a Systems Integration and Technology Validation Competence Centre, was established in 2007 at SAIAMC. Hydrogen and fuel cell technologies have been identified as priorities for direct investment by the South African government, as these technologies will contribute to tackling the South African climate change targets and security of energy supply challenges. A long-term Hydrogen and Fuel Cell Technologies (HFCT) Research, Development, and Innovation strategy was officially launched in September 2008 by the Department of Science and Technology. The Hydrogen South Africa (HySA) programme is based upon the beneficiation of the country's large Platinum Group Metal resources. Nationally HySA comprises three Centres of competence: HySA Catalysis, HySA Infrastructure and HySA Systems, the latter located at UWC.





HySA Systems' main objective is to develop cutting-edge Hydrogen and Fuel Cell systems (HFC), prototypes and products to perform technology validation and system integration, and to focus on system oriented material research. HySA at UWC is principally focussed on cost-effective Green Energy for the people of South Africa and Africa as a whole. In this regard, the research team has successfully developed new materials and systems for domestic and vehicular applications. For example, the Centre assembled the first fuel cell to be comprised fully of components manufactured in South Africa, developed the first HFC golf cart, HFC stand-alone UPS and forklift. HySA Systems has recently commissioned pilot scale semi-automatic manufacturing lines for the fabrication of crucial fuel cell components and batteries.

Research by the **Institute for Poverty Land, and Agrarian Studies (PLAAS)** focuses on the political economy of hunger, poverty, inequality and marginal livelihoods in Southern African agro-food systems. A key aspect of PLAAS's research is that it seeks to go beyond the surface phenomena of landlessness and poverty to understand how these are linked to the causal dynamics of changing political and economic power relations. Within this agenda, researchers at PLAAS pursue specialised research projects relating to the politics of land deals and 'land grabs' in Southern Africa, the challenges of supporting smallholder agriculture and other livelihoods on the rural landscape, the dynamics of informal self-employment and the survival strategies of poor people in rural and urban contexts, the political dynamics of water and irrigation reform, and the social and political dynamics of ecosystem and natural resource management - with particular reference to catchment management and marine resources. While PLAAS maintains high standards of academic rigour and scholarly excellence, its research is practically oriented, concerned above all with interrogating and exploring responses to the challenges of change in the sub-continent.

PLAAS often uses 'Use-oriented basic research' (UOBR) which is scholarly research of high-quality aimed at investigating basic scientific questions - but which is at the same time oriented towards resolving pressing social questions that are asked by policy makers and social actors on the ground. The key questions upon which PLAAS focuses include: understanding issues like the real dynamics of food insecurity; the impact of the corporate restructuring in our agro-food system; the challenges faced by smallholder agriculture in Southern Africa; the links between agricultural development and non-farm employment; the politics of water allocation and use; the political and social dimensions of managing marine resources and river catchments; and the policy and legal frameworks needed to ensure that large-scale land deals in Southern Africa can be of benefit to poor people, and growth and development - all areas of pressing social significance. PLAAS also actively seeks to make the results of their research available in usable ways, not only for policy makers and government officials, but also for role players and stakeholders in 'civil society' more broadly.

The research programme of the **African Centre for Citizenship and Democracy (ACCEDE)** focuses on questions of governance and development from a citizen-centred viewpoint, prioritising the role of grassroots organisations and movements in their quest for more inclusive, democratic policies and implementation. This research agenda informs, and is informed by similar programmes in other parts of the world, especially the global south, and ACCEDE and Political Science staff are part of international research networks such as which emerge from the Citizenship Development Research Centre at the Institute of Development Studies, University of Sussex

at Brighton in the United Kingdom and through the Society for Participatory Research in Asia (PRIA), based in Delhi, India as well as the Brazilian Centre for Analysis and Planning (CEBRAP) based in Sao Paulo.

While part of the focus of this research has been on the 'demand side' of democracy (that is on how citizens seek to actualise their rights), attention has also turned to the 'supply side' of democracy, that is on the extent to which the state, and particularly, the local state, has been able to meet the demands of citizens desperate to improve their livelihoods. Understanding the interface between the demand and supply sides of democracy and advocating ameliorative measures has become of central importance in the face of increasing protest action and growing citizen anger.

SensorLab is the topmost research centre in Africa for dynamic electrochemistry, electrocatalysis, electroanalysis and nanoelectrochemistry. The Centre is in the forefront of research on the development of novel technological platforms for ultrasensitive sensors for health, food quality and environmental applications; and the production of smart composite electrodes for lithium ion batteries, supercapacitors, solar cells and light emitting diodes. SensorLab's electrochemical energy research deals with problems related to lithium ion cathode instability, instability of organic light emitting diodes (LEDs), instability of organic photovoltaic cells and the performance of supercapacitors.

The research focus is informed by the need to produce biosensors and sensors that will be suitable for point of need applications in clinical diagnosis, food quality determination and environmental monitoring or conservation. The sensor aspect of the research is geared towards providing easy-to-use tool for data collection, which is necessary for setting quality standards and for the development of national policies for priority pollutants (toxins, endocrine disruptors, toxic heavy metals and transgenic materials) in food, drinking water and the environment, as well as for monitoring compliance to set standards. Accordingly, polymeric, dendritic, graphenated and carbon nanotube-modified electrode systems are fabricated with novel methodologies and our research accesses metal systems that have hitherto not been employed as electrode systems for clean energy production or sensor fabrication.

One of the goals of SensorLab is to explore the use nanoscience and electrochemical technology in the improvement of the quality of life in the rural communities of Africa. For example, the organic photovoltaic cell research is aimed at replacing the expensive high purity silicon wafers used in conventional solar cells, with novel smart conducting polymeric materials, which will drastically reduce the cost of solar cells, and thereby making electricity very accessible and affordable on a large scale to rural communities.

Also through the research on electrochemical technology, they are developing devices for point of care determination of disease biomarkers and drug metabolic profiles, which are necessary for real time information required for the management of patients at hospitals and doctor's clinics. Through SensorLab's nanomaterials research they are providing new opportunities for the beneficiation of the country's minerals resources, particularly platinum group metals (PGMs), which are being used to develop novel nano-alloy electrocatalysts for applications in renewable energy systems, such as fuel cells, supercapacitors and lithium ion batteries.

One of the goals of SensorLab is to explore the use nanoscience and electrochemical technology in the improvement of the quality of life in the rural communities of Africa.



SensorLab researchers have invented smart nanoalloy and dendritic nanopolymer materials that have luminescence, light emitting and thermochromic properties, as well as those that have applications in high performance lithium ion batteries, supercapacitors and photovoltaic cells. To date they have developed: therapeutic drug monitoring nanobiosensors for anti-retroviral, anti-tuberculosis and anti-depressant drugs; immunosensors for mycotoxins and cyanotoxins (in food and water) and biomarkers (for cancers and other medical conditions); genosensors for transgenic materials in food; and aptameric sensor chips for endocrine disrupting compounds, polyaromatic hydrocarbons and persistent organic pollutants (in domestic, industrial and mine waste water) and chemical warfare agents.

PUBLICATIONS

Publications constitute an important element of measuring universities' research contributions. There are ongoing debates about the ways in which different forms of research should be acknowledged, and a report such as this is not the place to enter into those debates. For UWC, the accredited publications produced annually remain a good indicator of our research effort and progress. Publications assist in measuring a university's research contribution, and the level of productivity of our research community is evident in the growth illustrated in the graph below. This new total is at an all-time high and marks a new benchmark for UWC.

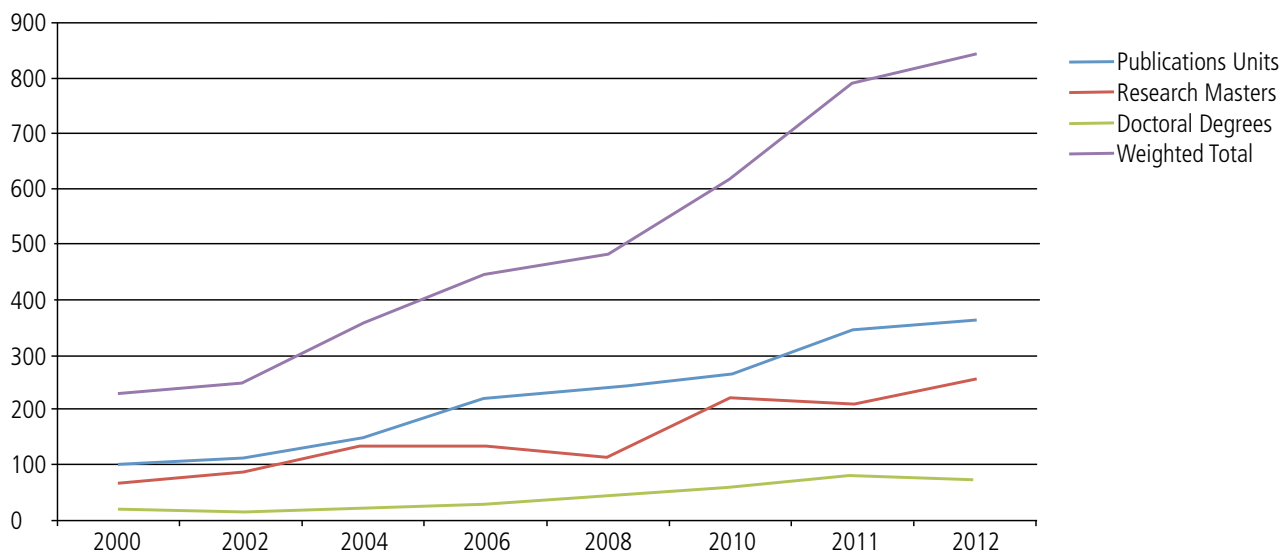
We are proud of the increasing number of academics who successfully publish whether it be in the form of peer-reviewed academic journal articles, books or book chapters, or the publication of research in peer-reviewed conference proceedings. Feedback from the National Research Foundation (NRF) indicates that at the end of 2012, UWC had 89 NRF-rated researchers, compared to the 2009 count of 66. The number is expected to grow to close to 100 in 2013. UWC has not yet received feedback on its 2012 accredited publication submission, but it is worth considering the increase in weighted research output over the years as per the graph and table below:

	2000	2002	2004	2006	2008	2010	2011	2012
Publication units	103	114	152	222	240	267	346	365*
Research Masters	68	89	134	137	116	221	209	254
Doctoral	20	15	23	28	42	60	80	75
Weighted Total	231	248	355	443	482	620	795	844
Postdocs						80	98	96

*estimated, not yet confirmed by the DHET



Research Output



COMMUNITY ENGAGEMENT

UWC's mission makes the student-in-communities concept 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 its 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 or 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 addition to the above, the university's Community Engagement Unit (CEU), under the leadership of Prof Priscilla Daniels, not only plays an advisory and coordinating role in relation to various community initiatives and best practice, but they also annually embark on a number of projects, of which some of the 2012 highlights include:

- The completion of two research projects focusing on: Communities' views, attitudes and recommendations on community-based education of undergraduate health students, a collaborative study between the universities of Limpopo, KwaZulu Natal and UWC, and the impact of collaborative inter-professional education and practice on developing socially responsible graduates who are well equipped to practice in rural and underserved areas;
- The development of a proposal that resulted in funding from the Department of Social Development in the Western Cape government to support the development and offering of a substance abuse course, developed specifically for community representatives working in the field of substance abuse within their respective communities. The course comprises eight modules and has been delivered since January 2012. The first group enrolled in the course is expected to complete by April 2013;
- The development of a database to keep track of the projects in communities in which the university is involved;
- Deepening regional, national and international partnerships which included engagement with the universities of Stellenbosch and Cape Town. UWC also hosted the 2012 executive board meeting of the national body, the South African Higher Education Community Engagement Forum (SAHECEF) in 2012. The unit also continued its work with the University of Missouri and Hogeschool van Arnhem en Nijmegen (HAN).
- Papers were presented at various national and international conferences and the unit hosted various workshops, aimed at showcasing and improving a range of community engagement projects across campus.

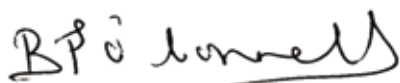


CONCLUSION

Quality teaching, learning and research are pivotal to the institution's academic and financial viability, and its long-term sustainability. Our planning and monitoring processes are geared towards constantly assessing how we are performing against the targets we set for ourselves and those that we are measured against externally. We will continue to focus on having the right academic leadership in place to manage and lead academic departments, resulting in the kinds of graduates our nation needs.

It is impossible to capture all the successes or reflect on all the challenges in writing a report such as this, but a survey of the evidence reminds us of how far UWC has come. The international Webometrics rating continues to place UWC 8th among African universities and in the top 9% of universities in the world. We are extremely proud of these statistics, but they would lose meaning if the experience of the students on our campus did not echo these notions of excellence in everything we offer. This remains our challenge and forces us to carefully consider every aspect that has an impact on the life of a UWC student.

While UWC is confident that our academic project is healthy, we remain committed to improvement. Our vibrant intellectual climate, caring community and clear sense of mission drive our endeavours.



Brian O'Connell
Chairperson of Senate



Report 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, to advise the Council. 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 2012, the IF had two meetings during which it dealt with the possible extension of terms of certain Council appointed positions, the suitability of candidates for the position of Dean: Economic and Management Sciences, the Employment Equity Report and representation of the IF on the Senior Appointments Committee of Council.

In addition to the defined roles of various positions, IF discussions relating to appointments in order to advise Council, also consider the need for appropriate leadership to enable the university to deliver on its primary responsibility of offering academic and research programmes of the highest quality while, at the same time being able to respond effectively to the local context, to national and global challenges, and to consider institutional diversity.

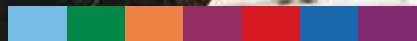
IF members spent considerable time discussing the annual Employment Equity (EE) Report. As part of this discussion, attention was also given to the EE principles applied and the EE Plan that feeds into the EE Report. The implementation of the EE Plan is monitored through an active EE Forum.

During 2012, the IF successfully carried out its consultative and advisory role as outlined in both the Higher Education Act and the Institutional Statute.

The IF can only fulfil its role if all stakeholder representatives are committed to the process. I wish to express my appreciation to all IF members for their contributions to the strengthening of institutional governance, and for enabling the Council to make decisions based on a broader institutional understanding.

A handwritten signature in black ink, appearing to read 'A. Glaeser'.

Ms Amanda Glaeser
Acting Chairperson of the Institutional Forum



Council's Statement on **CORPORATE GOVERNANCE**

The University of the Western Cape (UWC) is committed to the principles of discipline, transparency, independence, accountability, responsibility, fairness and social responsibility, as advocated in the King III Report on Corporate Governance. Accordingly, the Council endorses the codes and practices as set out in the King III report as they apply to the higher education sector.

Council recognises the need to conduct the business of the university with integrity and in accordance with generally accepted practices. The Audit and Risk committee of Council monitors the university's compliance with the report, a monitoring function that forms part of their responsibilities. The Council, through this committee and the work of the university's internal auditors, KPMG Services (Proprietary) Limited, are assessing the university's current compliance with the King III Report on Corporate Governance, and any potential implications thereof. Once this process has been concluded, consideration will be given to appropriate action, if required.

COUNCIL

The UWC Council comprises broad representation which includes academic and non-academic persons appointed in terms of the Institutional Statute. The majority of Council members are neither employees nor students. The role of the Council chairperson is separated from the Rector and Vice-Chancellor. The Council responsibilities are set out in the Institutional Statute and are in accordance with the stipulations of the Higher Education Act, 1997. The Council is responsible for the ongoing strategic direction of the institution and the approval of major developments which is facilitated by regular reports from management. The Council meets four times per year and has several committees including a Remuneration committee, Finance committee, Audit and Risk committee and a Membership committee. All of the committees are formally constituted with terms of reference. With the exception of the Finance committee, all committees mainly comprise Council members who are neither employees nor students of UWC.

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

FINANCE COMMITTEE

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

- 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 strategy with respect to immovable capital projects; and
- making recommendations regarding the aforementioned.

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 the Council regarding policies, remuneration and prerequisites, and the contracts of staff appointed by the Council, which includes the executive management and the deans of faculties. The annual financial statements reflect the earnings of the executive management separately.

MEMBERSHIP COMMITTEE

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

AUDIT AND RISK COMMITTEE

The Audit and Risk committee reviews the findings and reports of the university's internal and external auditors. Both the internal and external auditors have unrestricted access to the Audit and Risk committee, ensuring that their independence is in no way impaired. Meetings are held at least four times per year and are attended by the internal and external auditors and appropriate members of the executive management. The Audit and Risk committee operates in accordance with Council-confirmed written terms of reference that clearly sets out the committee's responsibilities in relation to:

- the committee's integrated reporting responsibility;
- its responsibilities in terms of overseeing both the internal and external audit functions; and
- the committee's responsibilities in terms of risk oversight and internal controls.

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. During 2012, it was not necessary for Council to act on this provision.



EXECUTIVE MANAGEMENT COMMITTEE

The Executive Management committee is responsible for implementing Council-approved strategies and for managing the university's affairs. The 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 is responsible for ensuring that the accounting records of the university are maintained in good order by the accounting information systems and personnel complement.

EMPLOYEE AND STUDENT PARTICIPATION

The university uses a variety of participating structures to resolve issues that affect employees and students directly and materially. These structures are designed to achieve good employer/employee and student relations, and for the effective sharing of relevant information, consultation and the identification and resolution of conflict. They embrace goals relating to productivity, career security, legitimacy and identification with the university. Employment equity remains high on the institutional agenda and is steered through an Employment Equity Forum.

CODE OF ETHICS

The Code of Conduct for Council members requires councillors to observe the highest standard of integrity, behaviour and ethics, and to conduct business through the use of fair commercial practices. In 2012, there were no breaches in terms of the Code of Conduct. Council members and employees are expected to observe the institution's ethical obligations in order to conduct business through the use of fair commercial practices.

RISK EXPOSURE MANAGEMENT

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, Audit and Risk, and Finance committees play an extremely important role in advising the Council in terms of risk.

Financial Risks

The university's financial risks include interest rate risk, foreign exchange rate risk, and credit risk. The ongoing international economic uncertainty could impact international donors' ability to continue funding research activities at the expected levels. The position of the rand relative to foreign currencies impacts potentially restricted funds, as a large portion of donor income is received in foreign currency. At times, this works in the institution's favour, but

in other instances it requires projects to revise their work to effectively function with reduced funds received. Interest rate risk has been eliminated largely by recapitalisation with regard to the institution's cash flow position, but new long-term loans are foreseen and, if there are increases in interest rates, these will impact such loans.

The university has had almost a decade of consistent growth and financial strengthening. It has moved from a position of substantial borrowing 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 our success in student debt from previous years.

The Executive Director: Finance and Service is responsible for managing credit, currency and interest rate exposure. Monthly management reports contain details of costs and the market value of financial instruments, and an analysis of exposures against limits established by the Council. 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

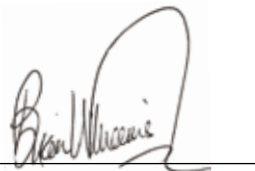
The non-financial factors that impact UWC include competitive attractiveness, the ability to perform in strategic priority areas, attracting and retaining appropriately skilled employees, reaching student enrolment targets, legislative risks, HIV/Aids and operational risks resulting from process failures. The university has also substantially improved its research output and if the current levels of performance are not maintained it poses various risks.

However, all the above-mentioned non-financial factors that impact the institution also have financial risk implications. The university has identified a number of key priorities for this five year period and success in these areas will, among other things, improve student success rates and research output, which would reduce risk in terms of the current portion of the state subsidy received as a development grant. Initial indications are positive, but performance in these strategic priority areas poses a degree of risk. The university has thus far performed well in terms of its projected student numbers, but if it does not succeed in this area, it would have implications not only for the institutional budget, but also for UWC's proportionate share in the annual higher education financial allocation.

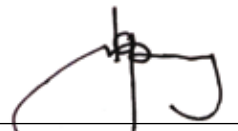
The competitive environment in terms of employees holds the risk of the institution losing highly qualified and skilled employees who are not easily replaceable, to other higher education institutions or industries. Many senior academics, administrators and members of the executive are also approaching retirement.

UWC remains vigilant concerning the challenge posed by HIV/Aids, and the institution has embarked on several initiatives to raise awareness, offer support programmes and influence students' behaviour through peer education.

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



Mr B Williams
Chairperson of Council



Ms Karen Barry
Chairperson of the Audit
and Risk Committee



Prof Brian O'Connell
Rector and Vice-Chancellor



The Audit and Risk Committee Report on the **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.

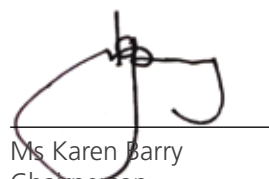
The systems of internal control designed by management include the documentation of organisational structures, and the division of responsibilities and established policies and procedures in key areas, which are communicated throughout the organisation.

Information systems utilising information technology are in use throughout the organisation. Management intends that systems be 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 maintains that control aspects are subject to 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, and the fact that the vacancy of the Director: Information and Communication Systems position was filled in 2012, should further improve the general control environment.

Internal auditors monitor the adequacy and effectiveness of internal control systems based on coverage plans discussed with Management and approved by the Audit and Risk committee, and report their findings and recommendations to Management and Council via the Audit and Risk committee. Corrective actions are taken by Management to address control deficiencies, and other opportunities for improving systems are identified. The internal audit process includes a follow-up of agreed upon management action plans, which are then reported to the Audit and Risk Committee. The Council, operating through its Audit and Risk 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. Instances where it is detected that internal control systems have failed, are followed-up to determine whether further investigations are required.

Reports to the Audit and Risk Committee by the internal and external auditors have indicated 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 will be reviewed in subsequent audits and duly reported.



Ms Karen Barry
Chairperson
Council Audit and Risk Committee

FINANCIAL REVIEW

Uncertainty continued to prevail as global markets showed unprecedented pressures during the year, notably the Eurozone crisis, the US fiscal cliff, China's changing internal focus and the long term effects of the large monetary fiscal stimulus provided by central banks of western economies. The BRICS, i.e. Brazil, Russia, India, China and South Africa, started feeling the severity of the global challenges. The past general sentiment of recovery has lost credibility and global markets were forced to face up to real change in the wake of a new era of re-establishing ideologies, identity and purpose. There is no doubt that the global economy is in a transformative state that will carve out the path for new players and direction.

The South African economy seems to remain attractive to investors despite job losses in excess of jobs created, sometimes hostile and violent labour unrest and public unrest in various regions. As a young democracy South Africa has remnants of the pre-democracy dispensation in its day to day business and continues to be faced with challenges that include maintaining a healthy capital and talent base, driving new behaviours through purpose, people skills training, equity, and cementing values of good governance. The South African economy requires a much needed union discourse that includes progressive partnering with employers and stakeholders, and that takes responsibility for their actions and leadership that would go a long way towards achieving economic stability and organic growth. The next few years will prove to be crucial in the adoption of the National Development Plan as a preferred framework for success for the local economy and social policy developments.

The University of the Western Cape has achieved major traction in serving a country and continent in transition. The university's Institutional Operating Plan 2010 - 2014 (IOP) has accomplished much in terms of consolidating its operations and broader strategy of alignment of efficiency and effectiveness. The university has posted assets in excess of R2.5 billion (2011: R2.2 billion) with a current ratio of 4 times (2011: 7 times). The differential of the current ratio to prior years is mainly due to shifting short-term liquid assets to long-term assets. It has received support and commitment from the state for infrastructure expansion and improvement projects, which bodes well for the university's strategic objectives.

OPERATING RESULTS

Operating results for the year under review revealed a surplus of R10.4 million (2011: R71.9m). The negative financial result compared to the prior year is due to a R44.5 million IAS 16 UWC Pension Fund deficit recognised at year end, and a R12 million increase in the depreciation on property, plant and equipment due to infrastructure expansion and improvements.

The university's management accounts will add back the pension fund valuation result of R44.5m that will translate into a more representative and maintainable earnings of R54.8 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 can be

attributed to, amongst other things, the following factors:

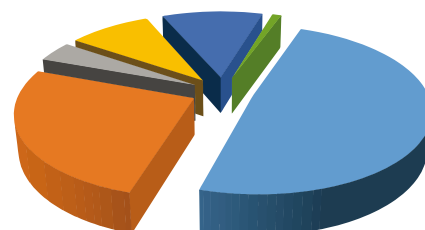
- continuous improvements in fiscal policy;
- improved administrative efficiency and effectiveness, supporting planned student administration and collections;
- implementation of strategic special intervention programmes;
- human capital investment;
- student academic performance; and
- diversification of revenue base.

A strong focus within the IOP 2014 is the building of leadership capacity and delivering quality, and together with the strategic interventions employed by the University, this translated into positive financial performance.

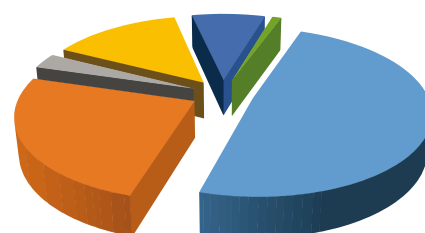
CONSOLIDATED REVENUE STREAMS SHARE

The university is funded from many sources that can be categorised in the revenue streams below. The graph depicts the size of the revenue stream in proportion to the aggregate on consolidation.

Share of Revenue Streams 2012



Share of Revenue Streams 2011



The university's revenue streams, as reflected above, depict state subsidy as the largest component of income at 49% (2011: 49%) in proportion to the consolidated pool of funding and student income to the extent of 26% (2011: 25%). The remaining 25% (2011: 26%) is represented by third-stream income items. It is UWC's intention to intensify activity in third-stream income that will be available as distributable reserves in order to compliment the university's operations and reserves.

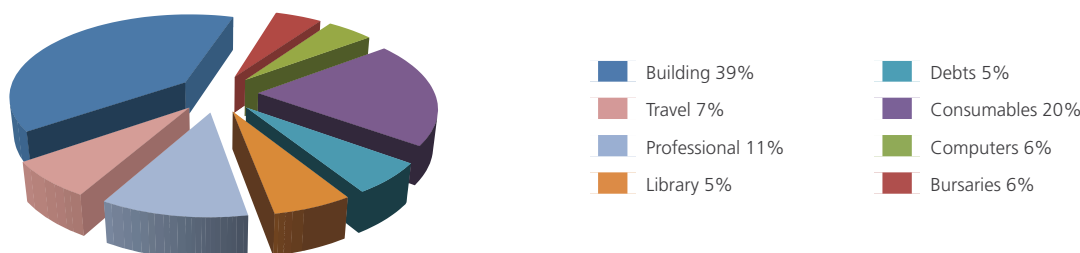
Abridged income and expenditure of Council-controlled and Student Accommodation funds

	2012 (Rmil)	% diff	2011 (Rmil)	% diff	2010 (Rmil)	% diff	2009 (Rmil)	% diff	2008 (Rmil)
TOTAL INCOME:	1 042.5	8%	963.4	11%	866.7	21%	716.7	7%	670.1
State subsidies and grants	589.0	4%	567.7	13%	500.6	20%	418.6	9%	384.9
Tuition and accommodation income	368.0	14%	321.6	11%	289.8	25%	232.2	16%	200.0
Other recurrent income	77.5	5%	73.8	0%	74.0	9%	68.1	-12%	77.1
Other non-recurrent income	8.0	100%	0.3	-100%	2.3	0%	(2.2)	0%	8.1
TOTAL EXPENSES:	1 032.1	16%	891.5	13%	788.3	23%	640.3	14%	562.6
Employment costs	586.8	13%	521.5	11%	470.9	22%	387.1	11%	348.8
Operating exp enses	314.2	19%	263.8	5%	250.6	21%	207.7	14%	181.7
Depreciation	79.7	18%	67.3	13%	59.7	57%	38.1	20%	31.6
Retirement funds' adjustment	44.5	67%	26.7	100%	0.0	100%	7.0	100%	0.0
Disposal of property ,plant and equipment	0.0	100%	4.5	100%	0.0	100%	0.0	0.0	0.0
Finance costs	6.9	-10%	7.7	8%	7.1	1641%	0.4	-8%	0.4
NET SURPLUS	10.4		71.9		78.4		76.4		107.5

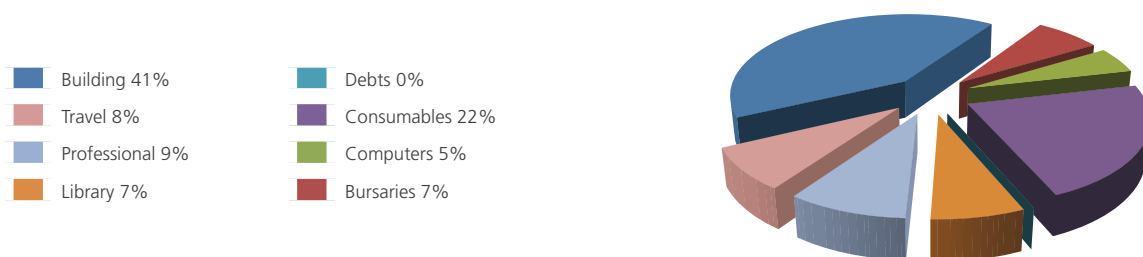
The income and expenditure of Council-controlled and Student Accommodation fund, also known as the General Fund or Operating Budget, has yielded a surplus of R10.4 million (2011: R71.9 million). Earlier I mentioned that the Pension Fund, a defined benefit fund, accrued a deficit of R44.5 million. This is due to the fund's performance not matching its liability. The fund's performance and management rest with the Board of Trustees in terms of the fund rules. The university is in the process of assessing the future risk of the fund and devising a plan for the future risk management of the fund.

The operating results are favourable, particularly under the conditions of the economy and further expresses working capital optimisation and maintainable earnings.

Operating Expenses 2012



Operating Expenses 2011



Operating expenses are stated at R314.2 million (2011: R263.8 million), which is within budget. They include special intervention programmes that accelerate third-stream income, and academic and research performance specifically designated to support the IOP 2014 goals.

Depreciation is stated at R79.7 million (2011: R67.3 million) as a result of the annual 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. It is further increased due to infrastructure expansion and improvement projects.

A noteworthy investment of operating expenses on existing buildings and computer infrastructure is employed to improve the student experience at the university.

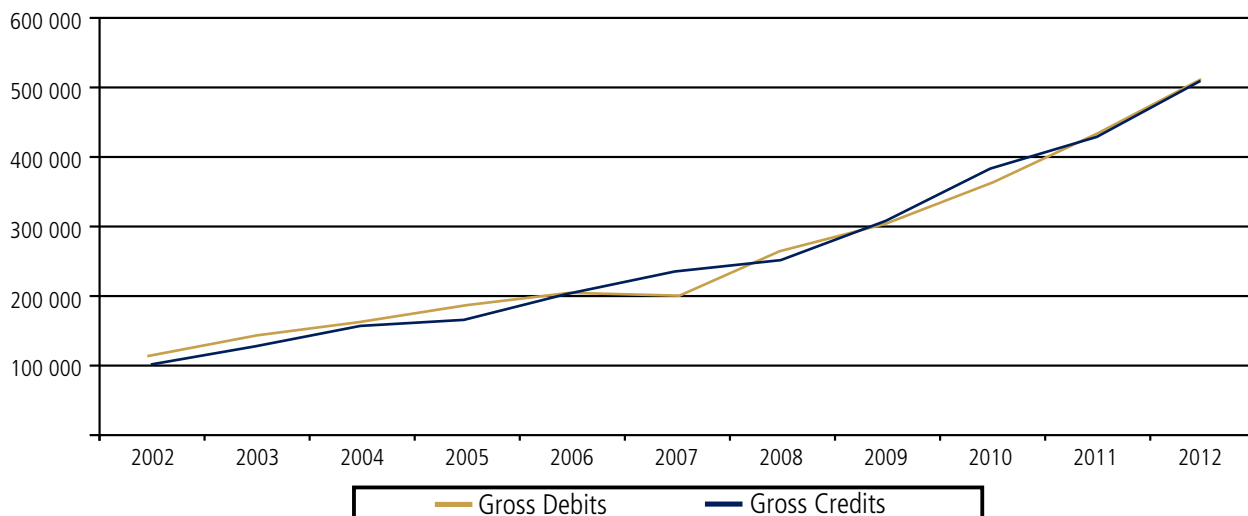
Student accommodation expenditure continues to apply pressure on the budget because of the inability of the accommodation fund to break even. The engagement with students is on-going with respect to balancing the fund. The university has unsuccessfully negotiated accelerated accommodation rates to break even. The deficit accrued for 2012 amounts to R6 million (2011: R6.5 million). The income and operating costs for student 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, financial aid processes and direct engagement with individual students and their parents, student leadership, and 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.

STUDENT ACCOUNT

Gross Debits vs Gross Credits



The graph above represents the student debt account that illustrates the relationship between collections against billings. The Minister of Higher Education and Training (DHET) has committed funding from the National Student Financial Aid Scheme (NSFAS) with respect to historical debt, which has reduced the debtors book during the year under review and prior years. The budgeted collections have been achieved for 2012.

The university has a history of registering academically viable, indigent students without the necessary financial resources to pay tuition and residence fees upfront. This bodes well for 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, all students are required to pay an upfront amount which is less than 20% of the average student billing per annum. The upfront payment requirement has remained the same for the last three years. It would be desirable to collect more fees at registration, but it is a highly contested process amongst most universities in South Africa. Settlement agreements



are entered into with individual students to stagger payments throughout the year. In most instances these agreements are honoured by students. 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 donors, parents, guardians and students for their unequivocal commitment to address student debt.

RESTRICTED FUNDS

Restricted funds represents donations, grants and contracts accounted for during the year. The university performed exceptionally well compared to prior years, which is mostly attributable to re-established relationships with donors and third parties. The fund generated a R115 million normal activity surplus for the year, compared to R73 million the prior year.

SIGNIFICANT ACCOUNTING ISSUES AND DISCLOSURES

The university's financial reporting and preparation of financial statements is based on International Financial Reporting Standards (IFRS). Below is an explanation of certain significant items contained in the financial statements.

GOVERNMENT GRANTS AND DISCLOSURE FOR GOVERNMENT ASSISTANCE

At year end, the government grants relating to assets (note 24) were valued at R442 million (2011: R373 million) in the Consolidated Statement of Financial Position. This is as a result of grants received over the years from the DHET for infrastructural improvement and expansion projects. Although this is income received, in terms of 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 assets' useful life, to match the costs to which the assets relates on a systematic basis. The DHET has committed funding for future years that will continue to influence this balance. The liability will



not be discharged in full when the buildings are brought into use, but will be reduced annually based on the related costs for which they are intended to compensate, on a systematic basis.

The net effect is paradoxical - the more the DHET aids the university in building its infrastructure, the higher our liability on the Statement of Financial Position, and we will carry a liability for the lifetime of the building or asset that will be reduced systematically over this period of time, even though it does not represent an obligation to be settled in the future.

SERVICE CONCESSION: PROPERTY, PLANT AND EQUIPMENT

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

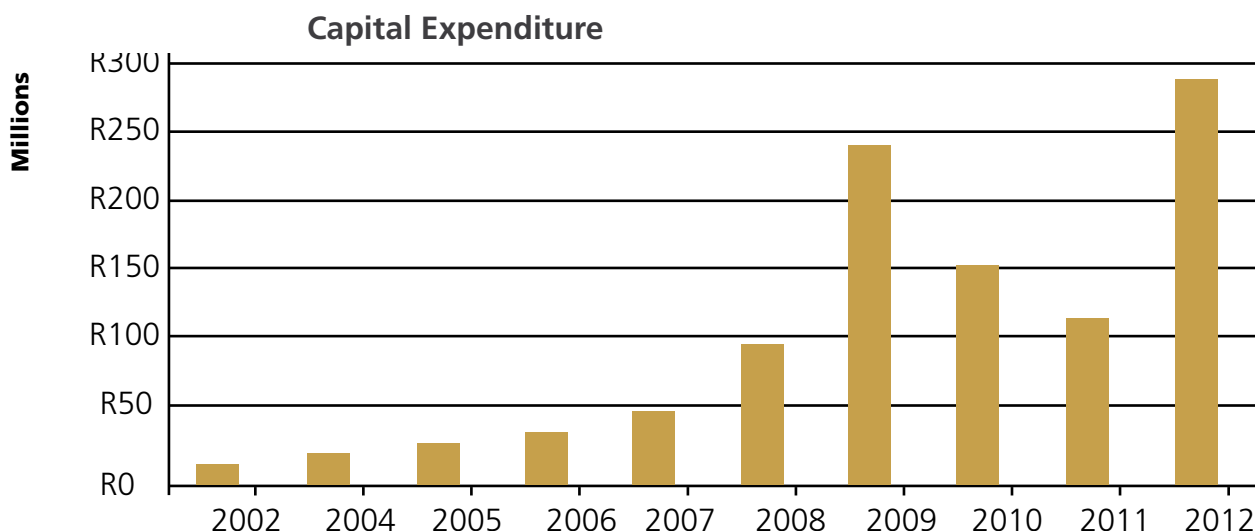
INTEREST BEARING BORROWINGS

The university entered into a long-term loan with the Development Bank of South Africa (DBSA) to finance the completion of the Life Sciences Building during 2010. The initial loan value was R90 million at inception, and is repayable over 10 years as detailed in note 9 of the financial statements.

INFRASTRUCTURE IMPROVEMENT AND EXPANSION PROJECTS

The university continued its investment in infrastructure from 2007. This could not be possible without support from the DoHET and our donors who believe in us. It is noteworthy to mention completed projects, projects in force and planned projects.





The table illustrates the intensity of investment in infrastructure. The actual spend on capital for 2003 amounts to less than R10 million. The 2012 investment in infrastructure improvement and expansion projects is just short of R300 million.

Teaching space

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 annually in infrastructure upgrades, specifically with regard to teaching facilities and addressing the maintenance backlog. The university continued to improve teaching facilities during 2012 and has committed funds in terms of its budgeting process to further accelerate the improvement project systematically. This espouses an enhanced student experience, excellence in academic and research activities, and an upgrade of support and general infrastructure.

Life Sciences Building

Practical completion and occupation commenced during 2010. Teaching and research activities commenced in the first term of 2010. The operationalisation of the building has significantly changed the cost structure as planned, which can be seen from the buildings cost share of operational costs. Total cost rounded, including fit out, amounts to R550 million.

School of Public Health Building

The occupation of the building during 2009 did not occur without general teething problems. The building is fully operational, which has contributed to the change in building cost structure. Total cost rounded, including fit out, amounts to R80 million.



East Link Road

The East Link Road was completed during 2007. Total cost rounded amounts to R20 million.

South African Institute of Advanced Materials Chemistry Innovation Centre

Construction commenced during 2009 and completion was achieved during 2011. Total cost rounded, including fit out, amounts to R33 million.

Conversion of Olifants Distillate Building

Construction commenced during 2010, with completion achieved during 2011. Total cost rounded, including fit out, amounts to R8 million.

New residences

The university has entered into a development agreement with a company, Kovacs, for the construction of residential accommodation, offering 1 632 beds at a cost of R280 million, on the East campus adjacent to Symphony Way. The first phase construction commenced June 2011 and was completed in February 2012. Phase 2 commenced during May 2012 and was completed early in 2013. Phase 3 commenced in March 2013 and is expected to be completed by early 2014.

Cluster residence upgrades – ablution facilities and kitchen installations

The project comprised building kitchen facilities and upgrading the ablution facilities in four of the university's cluster residences. These upgrades resulted in a substantial improvement in the quality of life of residence students. The project commenced during 2010 and was completed during 2011. Total cost rounded of the project amounts to R40 million.

New Chemical Sciences Building

Construction commenced during 2012 for the New Chemical Sciences Building. The total project cost is estimated at R226m at this time, including fit out. The completion of the building is expected during August 2013.



Bellville Medical Centre (Old JS Marais hospital)

Situated in the Bellville central business district, construction is planned to commence in the third quarter of 2013. Expected project cost, including land, amounts to R200 million.

Residence Lifestyle Centre

The project commenced during 2012 and has an expected completion date of February 2013. Total expected cost, rounded, amounts to R40 million.

Short Course (swimming pool)

The project commenced during 2012 and was completed in the same year. The total cost, rounded, amounts to R4 million.

Dentistry Tygerberg Hospital

The project commenced during 2012 and was completed early in 2013. Total cost rounded amounts to R20 million.

Stadium upgrade

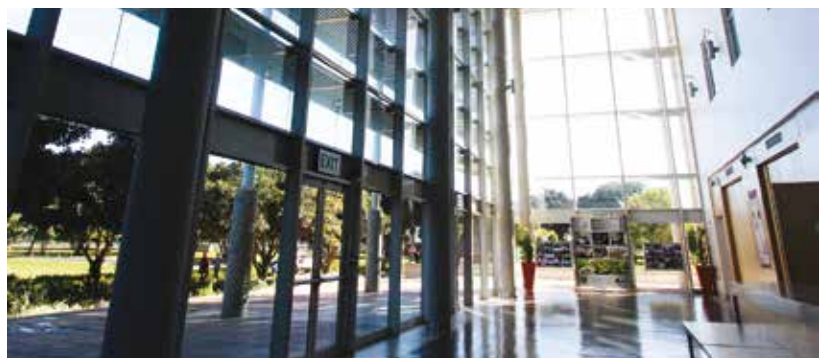
The stadium office area was scheduled for upgrade over a number of phases. The phases were combined for cost saving purposes and are expected to commence in July 2013 and to be completed during 2014. Total cost, rounded, amounts to R40 million.

Old Life Sciences

The decanting process of the Life Sciences precinct to the new Life Sciences Building has resulted in the availability of space for Computational Sciences. The project is estimated to cost R40 million and will commence during 2013, for completion during 2014.

Old Arts

The infrastructure of the Faculty of Arts is subject to design development and commencement of construction during 2013. It is expected at this time that the project will cost around R20 million.



Old Chemical Sciences

With the old Chemical Sciences precinct being decanted for their new building as above, this space will be upgraded for the Faculty of Education. The project is estimated to cost R20 million and commence during 2014.

Pharmacy

The Pharmacy building is expected to be upgraded to accommodate advanced facilities during 2013. The project is estimated at around R8 million.

Animal house, green house and herbarium

These projects are expected to be completed during 2013 and 2014 and will cost in the region of R15 million, combined.

Disability infrastructure

A number of initiatives have been introduced to accommodate disability, and are estimated at around R4 million.

CONCLUSION

The favourable financial results for 2012 are a tribute to the efforts of the Council, its Finance and Audit committees, Executive Management, finance leadership 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 university's financial planning processes, 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 towards success, drawing on innovation, core competencies and leadership.

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

Contents

ANNUAL FINANCIAL STATEMENTS

Council Statement on Responsibility for the Annual Financial Statements	73
Report of the Independent Auditors	74
Consolidated Statement of Financial Position	76
Consolidated Statement of Changes in Funds	77
Statement of Comprehensive Income	78
Consolidated Statement of Cash Flows	82
Notes to the Annual Financial Statements	83
Annexures	114





Statement on Responsibility for the 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 76 to 113 of the 2012 Annual Report have been prepared in accordance with International Financial Reporting Standards (IFRS) and the requirements of the Minister of Higher Education and Training in the regulations in terms of the Higher Education Act, 1997 (Act No. 101 of 1997), as amended, and include amounts based on 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.

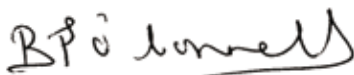
The financial statements have been audited by Ernst and Young Inc., who have been given unrestricted access to all financial records and related data, including minutes of meetings of the Council and its Committees. The Council believes that representations made to the independent auditors during their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

Approval of Annual Financial Statements

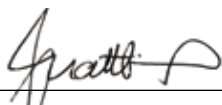
The annual financial statements on pages 76 to 113 of this Annual Report were approved by Council on 20 June 2013 and are signed on its behalf by:



Mr Brian Williams
Chairperson of Council



Prof Brian O'Connell
Rector and Vice-Chancellor



John Matthews
Chairperson Finance Council Committee

Report of the Independent Auditors

REPORT ON THE FINANCIAL STATEMENTS

Introduction

We have audited the financial statements of the University of the Western Cape as set out on pages 76 to 113, which comprise the statement of financial position as at 31 December 2012, and the statements of comprehensive income, changes in funds and cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

Council's responsibility for the financial statements

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

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 the Public Audit Act of South Africa, the General Notice issued in terms thereof and International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about 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 management, 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 of the Western Cape as at 31 December 2012, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the Higher Education Act of South Africa.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the Public Audit Act of South Africa and the General notice issued in terms thereof, we report the following findings relevant to performance against predetermined objectives, compliance with laws and regulations and internal control, but not for the purpose of expressing an opinion.

Predetermined objectives

We performed procedures to obtain evidence about the reliability of information with regard to performance against predetermined objectives included in the Report of Council as set out on pages 4 to 11 of the annual report and the Report of the Rector as set out on pages 12 to 27 of the annual report.

The reported performance against predetermined objectives was evaluated against the overall criterion of reliability. The reliability of the information in respect of the selected objectives is assessed to determine whether it adequately reflects the facts (i.e. whether it is valid, accurate and complete).

There were no material findings on the respective reports concerning the reliability of the information.

Compliance with laws and regulations

We performed procedures to obtain evidence that the University has complied with applicable laws and regulations regarding financial matters, financial management and other related matters.

We did not identify any instances of material non-compliance with specific matters in the Higher Education Act of South Africa.

Internal control

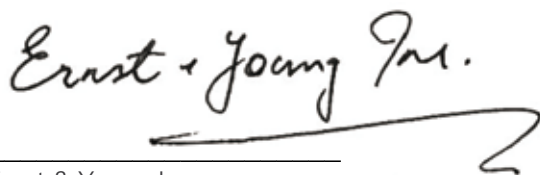
We considered internal control relevant to our audit of the financial statements, the Report of Council and the Report of the Rector on information with regard to performance against predetermined objectives and compliance with laws and regulations.

We did not identify any deficiencies in internal control that we considered sufficiently significant for inclusion in this report.

OTHER REPORTS

Agreed-upon procedures engagements

We conducted a number of agreed-upon procedures engagements during the year under review. Two agreed-upon procedures engagement were performed by other independent audit firms. These agreed-upon procedure engagements were performed per the requirements of various entities providing funds to the University.



Ernst & Young Inc.
Director: Abdul-Majid Cader
Registered auditor
Chartered Accountant (SA)
35 Lower Long Street
PO BOX 656, Cape Town
28 June 2013

Consolidated Statement of Financial Position

as at 31 December 2012

	Notes	ZAR 2012	ZAR 2011
ASSETS		2,563,787,052	2,192,185,200
Non-current Assets		1,898,008,654	1,450,520,880
Property, plant and equipment	2	1,337,547,633	1,122,424,017
Service concession: Property, plant and equipment	2.1	101,099,863	43,282,102
Investments		451,274,038	273,641,589
Available-for-sale investments	3	448,124,688	270,521,331
Held-to-maturity investments	3	3,149,350	3,120,258
Post employment fund surpluses		7,927,500	10,998,637
Retirement fund surplus	10.2	7,927,500	7,474,364
Pension fund surplus	10.1	-	3,524,273
Staff loans	4	159,620	174,535
Current Assets		665,778,398	741,664,320
Inventories	5	1,198,469	981,154
Accounts receivable		102,524,777	115,103,829
Student fee debtors	6	72,935,457	76,379,108
Other receivables	7	29,589,320	38,724,721
Cash and cash equivalents	8	562,055,152	625,579,337
FUNDS AND LIABILITIES		2,563,787,052	2,192,185,200
Funds available		1,680,816,553	1,524,907,966
Council controlled funds		24,277,612	180,152,306
Restricted use funds		312,496,444	241,536,656
Student accommodation funds		(59,022,353)	(53,358,799)
Property, plant and equipment funds		1,337,547,633	1,122,424,017
Service concession: Property, plant and equipment fund		672,096	-
Fair value adjustments reserve		64,845,121	34,153,786
Non-Current Liabilities		726,055,563	559,755,413
Interest-bearing borrowings	9	60,800,000	69,800,000
Pension fund liability	10.1	41,022,241	-
Service concession: Liability	13	100,427,768	43,282,102
Government grants relating to assets	24	442,229,113	372,583,426
Leave pay provision	11	81,576,441	74,089,885
Current Liabilities		156,914,936	107,521,821
Accounts payable and accrued liabilities	12	135,822,473	88,269,859
Current portion of leave pay provision	11	11,585,838	9,266,567
Student deposits	14	506,625	985,395
Current portion of interest-bearing borrowings	9	9,000,000	9,000,000

Consolidated Statement of Changes in Funds

for the year ended 31 December 2012

Notes	Council controlled funds	Restricted use funds	Student accommodation funds	Service Concession: PPE	Property, plant and equipment funds	Fair value adjustments reserve	Total available Funds
FOR THE YEAR ENDED 31 DECEMBER 2012							
Accumulated funds at 1 January 2012 (ZAR)	180,152,306	241,536,656	(53,358,799)	-	1,122,424,017	34,153,786	1,524,907,966
Total comprehensive income for the year	16,359,140	114,891,659	(6,033,546)	-	-	30,691,335	155,908,588
Net surplus / (deficit) for the year	16,359,140	114,891,659	(6,033,546)	-	-	-	125,217,253
Fair value adjustments reserves realised	-	-	-	-	-	(9,385,917)	(9,385,917)
Unrealised fair value adjustment gains	-	-	-	-	-	40,077,252	40,077,252
Transfers for acquisition/disposal of PPE	(240,833,281)	(50,796,305)	(1,703,783)	-	293,333,369	-	-
Transfer of depreciation on PPE	77,602,452	-	2,073,776	(1,466,475)	(78,209,753)	-	-
Transfers to eliminate dormant entities	18,083	(18,083)	-	-	-	-	-
Other inter-fund transfers	(9,021,088)	6,882,517	-	2,138,571	-	-	-
Accumulated funds at 31 December 2012	24,277,612	312,496,444	(59,022,352)	672,096	1,337,547,633	64,845,121	1 680 816 554
Accumulated funds at 1 January 2011 (ZAR)	127,835,642	197,243,830	(47,133,545)	-	1,067,931,898	35,351,789	1,381,229,614
Total comprehensive income for the year	78,454,558	72,966,503	(6,544,706)	-	-	(1,198,003)	143,678,352
Net surplus / (deficit) for the year	78,454,558	72,966,503	(6,544,706)	-	-	-	144,876,355
Fair value adjustment reserves realised	-	-	-	-	-	(6,599,749)	(6,599,749)
Unrealised fair value adjustment gains	-	-	-	-	-	5,401,746	5,401,746
Transfers for acquisition/disposal of PPE	(98,949,371)	(21,013,042)	(1,848,486)	-	121,810,899	-	-
Transfer of depreciation on PPE	65,150,842	-	2,167,938	-	(67,318,780)	-	-
Other inter-fund transfers	7,660,635	(7,660,635)	-	-	-	-	-
Accumulated funds at 31 December 2011	180,152,306	241,536,656	(53,358,799)	-	1,122,424,017	34,153,786	1,524,907,966

Consolidated Statement of Comprehensive Income

for the year ended 31 December 2012

	Notes	ZAR 2012	ZAR 2011
TOTAL INCOME		1,408,264,777	1,265,854,449
Recurrent revenue		1,390,648,741	1,258,854,407
State subsidies and grants	15	686,539,503	624,840,900
Student fee revenue		368,956,093	321,619,861
Income from contracts		152,391,968	172,947,698
For research		117,021,081	141,299,718
For other activities		35,370,887	31,647,980
Other service revenue		-	3,172,945
Private gifts and grants		52,796,611	37,657,517
Other recurrent income	18.1	77,913,439	49,370,102
Sub-total		1,338,597,614	1,209,609,023
Interest received	16	47,415,078	44,840,142
Dividends received	16	4,636,049	4,405,242
Non-recurrent items		17,616,036	7,000,042
Realised gain of marketable securities	16	9,385,917	6,599,749
Other non-recurrent income	18.2	7,776,983	12,229
Profit on disposal of PPE		-	71,191
Retirement fund surplus income	10.2	453,136	316,873
TOTAL EXPENDITURE		1,283,047,524	1,120,978,094
Recurrent items		1,238,250,534	1,089,802,605
Personnel		687,295,353	604,957,730
Academic professionals	17	375,431,734	323,132,390
Other personnel	17	311,863,619	281,825,340
Other operating expenses	18.3	464,373,909	409,827,733
Depreciation	2 / 2.1	79,676,228	67,318,780
Sub-total		1,231,345,490	1,082,104,243
Finance costs	19	6,905,044	7,698,362
Non-recurrent items		44,796,990	31,175,489
Pension fund expenditure	10.1	44,546,514	26,674,000
Loss on disposal of PPE		250,476	4,501,489
NET SURPLUS FOR THE YEAR		125,217,253	144,876,355
Fair value adjustment reserves realised	3	(9,385,917)	(6,599,749)
Unrealised fair value adjustment gains	3	40,077,252	5,401,746
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		155,908,588	143,678,352
The surplus for the year is analysed as follows:			
Council Controlled Funds		16,359,140	78,454,558
Accommodation Funds		(6,033,546)	(6,544,706)
Restricted Funds - Normal activities		114,891,659	72,966,503
NET SURPLUS FOR THE YEAR		125,217,253	144,876,355

Statement of Comprehensive Income

for the year ended 31 December 2012

				COUNCIL CONTROLLED FUNDS		
		Notes	ZAR 2012	ZAR 2011		
TOTAL INCOME			998,393,047	922,772,103		
Recurrent revenue			990,162,928	922,455,230		
State subsidies and grants		15	589,009,634	567,654,652		
Student fee revenue			323,636,103	280,998,845		
Income from contracts			23,579,792	21,085,230		
For other activities			23,579,792	21,085,230		
Other service revenue			-	3,172,945		
Private gifts and grants			3,222,537	1,730,827		
Other recurrent income		18.1	14,670,328	10,144,391		
Sub-Total			954,118,394	884,786,890		
Interest received		16	35,945,349	37,584,464		
Dividends received		16	99,185	83,876		
Non-recurrent items			8,230,119	316,873		
Other non-recurrent income		18.2	7,776,983	-		
Retirement fund surplus income		10.2	453,136	316,873		
TOTAL EXPENDITURE			982,033,907	844,317,545		
Recurrent items			937,236,917	813,142,056		
Personnel			575,412,237	511,179,672		
Academic professionals		17	326,794,852	287,079,601		
Other personnel		17	248,617,385	224,100,071		
Other operating expenses		18.3	277,317,184	229,113,180		
Depreciation			77,602,452	65,150,842		
Sub-Total			930,331,873	805,443,694		
Finance costs		19	6,905,044	7,698,362		
Non-recurrent items			44,796,990	31,175,489		
Loss on disposal of PPE			250,476	4,501,489		
Pension fund expenditure		10.1	44,546,514	26,674,000		
NET SURPLUS AND TOTAL COMPREHENSIVE INCOME FOR THE YEAR			16,359,140	78,454,558		

Statement of Comprehensive Income

for the year ended 31 December 2012

		STUDENT ACCOMMODATION FUNDS	
		ZAR	ZAR
		2012	2011
	Notes		
TOTAL INCOME		44,320,392	40,610,505
Recurrent revenue		44,320,392	40,598,276
Student fee revenue		44,320,392	40,598,276
Non-recurrent items		-	12,229
Other non-recurrent income	18.2	-	12,229
TOTAL EXPENDITURE		50,353,938	47,155,211
Recurrent items		50,353,938	47,155,211
Personnel		11,357,906	10,346,714
Other personnel	17	11,357,906	10,346,714
Other operating expenses	18.3	36,922,256	34,640,559
Depreciation		2,073,776	2,167,938
Sub-Total		50,353,938	47,155,211
NET DEFICIT AND TOTAL COMPREHENSIVE INCOME FOR THE YEAR		(6,033,546)	(6,544,706)

Statement of Comprehensive Income

for the year ended 31 December 2012

	Notes	RESTRICTED USE FUNDS	
		ZAR 2012	ZAR 2011
TOTAL INCOME		365,551,338	302,471,841
Recurrent revenue		356,165,421	295,800,901
State subsidies and grants	15	97,529,869	57,186,248
Student fee revenue		999,598	22,740
Income from contracts		128,812,176	151,862,468
For research		117,021,081	141,299,718
For other activities		11,791,095	10,562,750
Private gifts and grants		49,574,074	35,926,690
Other recurrent income	18.1	63,243,111	39,225,711
Sub-Total		340,158,828	284,223,857
Interest received	16	11,469,729	7,255,678
Dividends received	16	4,536,864	4,321,366
Non-recurrent items		9,385,917	6,670,940
Realised gain of marketable securities	16	9,385,917	6,599,749
Profit on disposal of PPE		-	71,191
TOTAL EXPENDITURE		250,659,679	229,505,338
Recurrent items		250,659,679	229,505,338
Personnel		100,525,210	83,431,344
Academic professionals	17	48,636,882	36,052,789
Other personnel	17	51,888,328	47,378,555
Other operating expenses	18.3	150,134,469	146,073,994
Sub-Total		250,659,679	229,505,338
NET SURPLUS FOR THE YEAR		114,891,659	72,966,503
Fair value adjustment reserves realised	3	(9,385,917)	(6,599,749)
Unrealised fair value adjustment gains	3	40,077,252	5,401,746
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		145,582,994	71,768,500

Consolidated Statement of Cash Flows

for the year ended 31 December 2012

	Notes	ZAR 2012	ZAR 2011
CASH FLOWS FROM OPERATING ACTIVITIES			
Net surplus before interest and dividends	25.1	80,071,170	103,329,333
Adjusted for:			
Depreciation	2 / 2.1	79,676,228	67,318,780
Decrease in Service concession: Liability	13	(2,138,571)	-
Net gain on disposal of investments	3	(9,385,917)	(6,599,749)
Government grants relating to assets recognised during the year	24	(18,704,313)	(5,546,000)
Pension fund expenditure	10.1	44,546,514	26,674,000
Retirement fund income		(453,136)	(316,873)
Loss on disposal of property, plant and equipment		250,476	4,430,298
		173,862,451	189,289,789
Increase in inventory		(217,315)	(157,540)
Decrease in receivables		12,579,052	13,312,266
Decrease in staff loans		14,915	79,483
Increase / (decrease) in payables and provisions		57,358,442	(1,026,351)
Decrease in student deposits		(478,770)	(567,000)
Cash generated from operations		243,118,775	200,930,647
Interest received	25.1	46,948,498	44,396,108
Dividends received	16	4,636,049	4,405,242
Finance costs	19	(6,905,044)	(7,698,362)
Net cash flows from operating activities		287,798,278	242,033,635
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	2	(293,969,300)	(126,392,948)
Proceeds on disposal of property, plant and equipment		385,454	151,751
Purchase of marketable securities	3	(335,751,115)	(136,205,999)
Proceeds on disposal of marketable securities	3	198,407,135	117,772,536
Proceeds on redemption of other investments	3	255,363	255,363
Net cash flows from investing activities		(430,672,463)	(144,419,297)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long term loans	9	(9,000,000)	(9,000,000)
Government grants received relating to assets	24	88,350,000	82,155,935
Net cash flows from financing activities		79,350,000	73,155,935
Net (decrease) / increase in cash and cash equivalents		(63,524,185)	170,770,273
Cash and cash equivalents at the beginning of the year	8/25.2	625,579,337	454,809,064
Cash and cash equivalents at the end of the year	8/25.2	562,055,152	625,579,337

Notes to the Annual Financial Statements

for the year ended 31 December 2012

1. ACCOUNTING POLICIES

1.1 Basis of preparation

The annual financial statements set out on pages 76 to 113 are prepared in accordance with and comply with International Financial Reporting Standards and in the manner required by the Minister of Higher Education and Training 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:

Amendments resulting from improvements to the following International Financial Reporting Standards (IFRS) did not have any impact on the accounting policies, financial position or performance of the University.

- IFRS 1 - Severe hyperinflation and removal of fixed dates for 1st time adopters (effective 1 July 2011)
- IFRS 7 - Transfers of financial assets (effective 1 July 2011)
- IAS 12 - Recovery of underlying assets (effective 1 January 2012)

1.2. Fund Categories

The statement of comprehensive income is prepared on a segmented reporting basis in the manner required by the Minister of Higher Education and Training 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 a 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 funds in the consolidated statement of changes in funds are grouped according to the same criteria as the statement of comprehensive income 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 statements of comprehensive income. The Restricted Use Funds represent the unspent portion of funds received which the University has an obligation to spend in terms of a mandate.

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, and is released to the net surplus when the expenditure is incurred. When a grant relates to an asset, the recognition of revenue is deferred and released to income over the expected useful life of the relevant asset.

Notes to the Annual Financial Statements

for the year ended 31 December 2012 (continued)

1. ACCOUNTING POLICIES (continued)

1.3 Revenue Recognition (continued)

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.

Government Grants

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

1.4 Financial instruments

Financial instruments recognised on the statement of financial position 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 statement of financial position item note, investment financial assets are carried at fair value while all other financial assets are carried at amortised cost. The methods and assumptions used to determine initial fair value, as well as measurement subsequent to initial recognition are as follows:

Investments

- Available for Sale 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. 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 other comprehensive income until they are sold or impaired, where upon the surplus / (deficit) is recognised in net surplus.

1. ACCOUNTING POLICIES (continued)

1.4 Financial instruments (continued)

- Held to Maturity Investments

Other investments, where the University has the intention and ability 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. 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.

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 statement of financial position comprise of cash at banks and on hand and short-term deposits with an original maturity of three months or less. Cash and cash equivalents are considered to be "loans and other receivables". 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 plus 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 net surplus of the statement of comprehensive income 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.

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.

Notes to the Annual Financial Statements

for the year ended 31 December 2012 (continued)

1. ACCOUNTING POLICIES (continued)

1.4 Financial instruments (continued)

Offset

Financial assets and liabilities are offset and reported on a net basis when the University has a legally currently 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 when:

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

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

Impairment

Impairment of financial assets

The University assesses at each reporting 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 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 net surplus of the statement of comprehensive income. 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 write-off is later recovered, the recovery is recognised in net surplus of the statement of comprehensive income. 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.

1. ACCOUNTING POLICIES (continued)

1.4 Financial instruments (continued)

Available-for-sale financial investments

For available-for-sale financial investments, the University assesses at each reporting 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 net surplus – is removed from other comprehensive income and recognised in net surplus. Impairment losses on equity investments are not reversed through net surplus; increases in their fair value after impairment are recognised directly in other comprehensive income.

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. However, the amount recorded for impairment is the cumulative loss measured as the difference between the amortised cost and the current fair value, less any impairment loss on that investment previously recognised in the net surplus. 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 net surplus, the impairment loss is reversed through the net surplus.

1.5 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 net surplus of the statement of comprehensive income on a straight-line basis over the estimated useful life of each part of an item of property, plant and equipment. Land is not depreciated.

The estimated useful lives are as follows:

Buildings		Vehicles	4 to 10 years
- Primary Structure	10 to 50 years	Computer Equipment	1 to 5 years
- Components	10 to 15 years	Furniture and equipment	3 to 50 years

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

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.

Notes to the Annual Financial Statements

for the year ended 31 December 2012 (continued)

1. ACCOUNTING POLICIES (continued)

1.6 Inventories

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

1.7 Leases

All leases, where substantially all risks and rewards associated with ownership have not transferred from the lessor to the lessee, 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.

1.8 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 the gross government R186 long term bond yield), 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.

1.9 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.

1.10 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 statement of comprehensive income as the staff render their services to the University and costs relating to defined benefit retirement plans are charged to the statement of comprehensive income according to IAS 19 and as further detailed in note 10.

1.11 Operating expenses

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

1.12 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 reporting date. All differences are taken to net surplus of the statement of comprehensive income. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

1.13 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)

1.14 Service concession arrangements

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

1.15 Accounting standards and interpretations issued and 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.

IFRS 9 Financial Instruments: Classification and Measurement

IFRS 9 as issued reflects the first phase of the International Accounting Standards Board's (IASB) work on the replacement of IAS 39 and applies to classification and measurement of financial assets and liabilities as defined in IAS 39. The standard is effective for annual periods beginning on or after 1 January 2015.

The adoption of the first phase of IFRS 9 will have an effect on the classification and measurement of the University's financial assets and liabilities. The University will quantify the effect in conjunction with other phases, when issued, to present a comprehensive picture.

Improvement to IFRS (issued in May 2012)

The IASB issued "Improvements to IFRSs", an omnibus of amendments to IFRS standards. The amendments have not been adopted as they become effective for periods on or after 1 January 2013. The amendments listed below, are considered to have a reasonable possible impact on the University:

- IAS 1 Presentation of Financial Statements;
- IAS 16 Property, Plant and Equipment;
- IAS 32 Financial Instruments: Presentation.

The University, however, expects no impact from the adoption of the amendments on its financial position or performance.

IFRS 13 Fair Value Measurement

The IASB issued IFRS 13 to provide guidance on how to measure fair value, but does not change when fair value is required or permitted under IFRS. The standard is effective for annual periods beginning on or after 1 January 2013. The University does not expect any impact on its financial position or performance.

Notes to the Annual Financial Statements

for the year ended 31 December 2012 (continued)

1. ACCOUNTING POLICIES (continued)

1.15 Accounting standards and interpretations issued and not yet effective (continued)

Amendments to IAS 19 Employee Benefits

The IASB issued amendments to IAS 19, proposes changes to the accounting for employee benefits, including the removal of the option for deferred recognition of changes in pension plan assets and liabilities (known as the “corridor approach”), medium and long-term remuneration plans recognised and measured in the same manner as pensions; and distinction of short- and long-term benefits will now be distinguish based on expected timing of settlement rather than employee entitlement. In addition, these amendments will limit the changes in the net pension asset (liability) recognised in profit or loss to net interest income (expense) and service costs, and actuarial gains and losses recognised in OCI as they occur. Expected returns on plan assets will be replaced by a credit to income based on the corporate bond yield rate. The standard is effective for annual periods beginning on or after 1 January 2013. The adoption of IAS19 will have an effect on the treatment of actuarial gains and losses in the statement of comprehensive income. Actuarial gains and losses will be recognised in other comprehensive income rather than net surplus or loss.

1.16 Amendments to IAS 1 Presentation of Financial Statements

The IASB issued amendments to IAS 1, require companies preparing financial statements in accordance with IFRS to group together items within Other Comprehensive Income (OCI) that may or may not (such as for example the re-measurements taken to OCI for IAS 19) be reclassified to the profit or loss section of the income statement. The amendments also reaffirm existing requirements that items in OCI and profit or loss should be presented as either a single statement or two consecutive statements. Additionally the amendment aligns the presentation of items of other comprehensive income to US GAAP. The amended standard is effective for annual periods beginning on or after 1 July 2012. The University does not expect any significant impact on its financial position or performance.

Amendments to IAS 32 Financial Instruments: Presentation

The IASB issued an amendment to clarify the meaning of “currently has a legally enforceable right to set off the recognised amounts” (IAS 32.42(a)). The standard is effective for annual periods beginning on or after 1 January 2014. The University does not expect any impact on its financial position or performance.

Amendments to IFRS 7 Financial Instruments: Disclosure

The IASB issued amendments to IFRS 7 which amends the required disclosures to include information that will enable users of an entity’s financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity’s recognised financial assets and recognised financial liabilities, on the entity’s financial position. The standard is effective for annual periods beginning on or after 1 January 2014. The University does not expect any impact on its financial position or performance.

1.17 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 statement of financial position 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.

Impairment of Available-for-sale investments

The university classifies certain assets as available-for-sale and recognises movements in their fair value in other comprehensive income. When the fair value declines, management makes assumptions about the decline in value to determine whether it is an impairment that should be recognised in income and expenses. An investment is considered impaired if either; the fair value at year end is more than 30% below original cost; or the fair value is below cost for a period greater than 12 months. At 31 December 2012 no impairment losses have been recognised for available-for-sale investments. The carrying value of investments at 31 December 2012 was R444 630 364 (2011: R267 209 402) refer Note 3.

1. ACCOUNTING POLICIES (continued)

1.17 Significant accounting judgements and estimates (continued)

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 2012 was R1,438,647,496 (2011: R1,165,706,119).

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 2012 was R72,935,457 (2011: R76,379,108).

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 2012 was R93,162,279 (2011: R83,356,452).

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.

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 2012 was R1,336,110 (2011: R1,472,632).

Provision for Bad Debts

Debt 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. For student fee debtors, the impairment takes into account the present value of future expected cash flows.

The impairments raised for bad debts as at 31 December 2012 was in note 4: staff loans - R 463,300 (2011: R 463,300); note 6: student fee debtors - R 119,234,117 (2011: R 109,064,233); note 7 provincial subsidies and grants - R 6,420,753 (2011: R 6,420,753) and note 7: sundry receivables - R6,233,825 (2011: R 308,648)

Notes to the Annual Financial Statements

for the year ended 31 December 2012 (continued)

2. PROPERTY, PLANT AND EQUIPMENT

	Land & buildings ZAR	Furniture & equipment ZAR	Computer equipment ZAR	Vehicles ZAR	Total ZAR
Year ended 31 December 2012					
Opening net book value	867,760,190	151,494,551	97,473,605	5,695,671	1,122,424,017
Additions	198,201,327	63,734,943	30,218,218	1,814,812	293,969,300
Disposals	-	(322,471)	(288,727)	(24,733)	(635,931)
Depreciation charge	(34,547,494)	(21,642,596)	(20,772,338)	(1,247,325)	(78,209,753)
Closing net book value	1,031,414,023	193,264,427	106,630,758	6,238,425	1,337,547,633
At 31 December 2012					
Gross carrying amount	1,260,140,420	332,307,206	210,150,078	12,834,737	1,815,432,441
Gross accumulated depreciation	(228,726,397)	(139,042,779)	(103,519,320)	(6,596,312)	(477,884,808)
Net book value	1,031,414,023	193,264,427	106,630,758	6,238,425	1,337,547,633
Year ended 31 December 2011					
Opening net book value	847,969,602	133,475,142	81,274,049	5,213,105	1,067,931,898
Additions	51,763,714	38,182,339	34,924,873	1,522,022	126,392,948
Disposals	(507,471)	(3,839,332)	(149,665)	(85,581)	(4,582,049)
Depreciation charge	(31,465,655)	(16,323,598)	(18,575,652)	(953,875)	(67,318,780)
Closing net book value	867,760,190	151,494,551	97,473,605	5,695,671	1,122,424,017
At 31 December 2011					
Gross carrying amount	1,067,514,226	269,912,703	180,931,183	11,102,369	1,529,460,481
Gross accumulated depreciation	(199,754,036)	(118,418,152)	(83,457,578)	(5,406,698)	(407,036,464)
Net book value	867,760,190	151,494,551	97,473,605	5,695,671	1,122,424,017
At 31 December 2010					
Gross carrying amount	1,011,101,408	237,922,654	148,696,680	10,264,245	1,407,984,987
Gross accumulated depreciation	(163,131,806)	(104,447,512)	(67,422,631)	(5,051,140)	(340,053,089)
Net book value	847,969,602	133,475,142	81,274,049	5,213,105	1,067,931,898

Land and Buildings

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

2. **PROPERTY, PLANT AND EQUIPMENT** (continued)
 2.1 **Service Concession: Property, plant and equipment**

Kovacs Student Housing Project

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

Phase 1 of the service concession agreement was completed with construction costs of R57,741,421 having been incurred. 334 beds were completed in this phase.

Phase 2 consists of the construction of 3 accommodation blocks with actual cost incurred of R 44,824,917. A total of 228 beds were available for use at beginning of 2013.

Phase 3 comprises the balance of the development entailing the construction of 538 beds to be estimated at R 76,573,940.

	Buildings ZAR
Year ended 31 December 2012	
Opening net book value	43,282,102
Additions	59,284,236
Depreciation charge	(1,466,475)
Closing net book value	101,099,863
At 31 December 2012	
Gross carrying amount	102,566,338
Gross accumulated depreciation	(1,466,475)
Net book value	101,099,863
Year ended 31 December 2011	
Opening net book value	-
Additions	43,282,102
Closing net book value	43,282,102
At 31 December 2011	
Gross carrying amount	43,282,102
Net book value	43,282,102

Notes to the Annual Financial Statements

for the year ended 31 December 2012 (continued)

3 INVESTMENTS

	2012	2011
	ZAR	ZAR
3.1 NON-CURRENT INVESTMENTS		
Available-for-sale investments:		
Marketable Securities		
Local equity and mutual funds	416,420,489	244,027,277
State stocks and bonds	12,965,650	10,554,892
Unlisted Investments	186	-
Off shore investments	15,244,309	12,627,233
	444,630,634	267,209,402
Opening value	267,209,402	243,374,193
Additions	335,751,115	136,205,999
Disposals	(198,407,135)	(117,772,536)
Movement in fair value adjustments reserve	40,077,252	5,401,746
Closing value	444,630,634	267,209,402

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:

Cost of marketable securities disposed	189,021,218	111,172,787
Realised gain on disposal of marketable securities	9,385,917	6,599,749
Proceeds on disposal of marketable securities	198,407,135	117,772,536

Endowment Policies (SANLAM)

Opening net book amount	3,311,929	3,147,674
Fair value gains	182,125	164,255
Closing net book amount	3,494,054	3,311,929

The SANLAM endowment policy is an available-for-sale instrument and is carried at fair value.

Total available-for-sale investments

448,124,688	270,521,331
--------------------	--------------------

Held to maturity investments:

	Endowment	Zero Coupon	TOTAL	Endowment	Zero	TOTAL
	policies (PLAAS)	Bond	2012	policies (PLAAS)	Coupon	2011
	ZAR	ZAR	ZAR	ZAR	ZAR	ZAR
Opening net book amount	1,472,632	1,647,626	3,120,258	1,597,559	1,498,283	3,095,842
Redemptions	(255,363)	-	(255,363)	(255,363)	-	(255,363)
Interest accrued	118,841	165,614	284,455	130,436	149,343	279,779
Closing net book amount	1,336,110	1,813,240	3,149,350	1,472,632	1,647,626	3,120,258

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 Programme for Land and Agrarian Studies (PLAAS) 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 INVESTMENTS (continued)

3.2 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 for the asset or liability, either directly (i.e. as prices) or indirectly (derived from prices).

Level 3: Techniques which use inputs other than quoted prices within level 1. 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-12 ZAR	Level 1 ZAR	Level 2 ZAR	Level 3 ZAR
Available-for-sale financial assets				
Local equity and mutual funds	416,420,489	416,420,489	-	-
State stocks and bonds	12,965,650	12,965,650	-	-
Offshore investments	15,244,309	15,244,309	-	-
Shares Unlisted	186	186	-	-
Guaranteed investments	3,494,054	-	3,494,054	-
Total	448,124,688	444,630,634	3,494,054	-

During the reporting period ending 31 December 2012, 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.

Available for sale financial assets	31-Dec-11	Level 1	Level 2	Level 3
Local equity and mutual funds	244,027,277	244,027,277	-	-
State stocks and bonds	10,554,892	10,554,892	-	-
Offshore investments	12,627,233	12,627,233	-	-
Guaranteed investments	3,311,929	-	3,311,929	-
Total	270,521,331	267,209,402	3,311,929	-

During the reporting period ending 31 December 2011, 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 2012 (continued)

4. STAFF LOANS

	2012	2011
	ZAR	ZAR
Gross Amount	622,920	637,835
Less impairment	(463,300)	(463,300)
	159,620	174,535

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

5. INVENTORIES

Maintenance store (at cost)	1,198,469	981,154
	1,198,469	981,154

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

6. STUDENT FEE DEBTORS

Gross Amount	192,169,574	185,443,341
Less impairment	(119,234,117)	(109,064,233)
	72,935,457	76,379,108

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 R15,199,596 (2011: R14,476,720) which is past due by less than one year but not impaired. This relates to National Student Financial Aid Scheme amounts which are considered fully receivable.

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

At 1 January	(109,064,233)	(109,365,019)
Utilised during the year	-	300,786
Charge for the year	(10,169,884)	-
At 31 December	(119,234,117)	(109,064,233)

7. OTHER RECEIVABLES

	2012 ZAR	2011 ZAR
Prepayments	4,188,529	19,905,574
Provincial subsidies and grants	8,009,932	8,101,479
Gross Amount	14,430,685	14,522,232
Less Impairment	(6,420,753)	(6,420,753)
Other receivables in respect of subsidies, contracts and grants	6,002,750	7,486,682
Sundry receivables	11,388,109	3,230,986
Gross Amount	17,621,934	3,539,634
Less impairment	(6,233,825)	(308,648)
	29,589,320	38,724,721

The impairment of R6,420,753 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 R6,233,825 in respect of inappropriate expenditure and 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	(6,420,753)	(6,934,190)
Charge for the year	-	513,437
	(6,420,753)	(6,420,753)

Impairment: Sundry receivables

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

At 1 January	(308,648)	(308,648)
Charge for the year	(5,925,177)	-
	(6,233,825)	(308,648)

8. CASH AND CASH EQUIVALENTS

Cash at bank and on hand	550,145,806	261,315,940
Short term bank deposits	11,909,346	364,263,397
	562,055,152	625,579,337

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 4.0% and 6.1% (2011: 4.39% and 6.1%) and their carrying amounts approximate fair value. They are classified as cash equivalents as management consider them to be accessible prior to prescribed maturity.

At year end the University had an unutilised overdraft facility of R15,000,000 (2011: R15,000,000).

Notes to the Annual Financial Statements

for the year ended 31 December 2012 (continued)

9. INTEREST BEARING BORROWINGS

	2012 ZAR	2011 ZAR
Non-current		
Non-current portion of PIC long term loan	2,300,000	2,300,000
Non-current portion of Development Bank of South Africa long term loan	58,500,000	67,500,000
Total non-current borrowings	60,800,000	69,800,000
Current		
Current portion of Development Bank of South Africa long term loan	9,000,000	9,000,000
Total current borrowings	9,000,000	9,000,000

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 R1813,240 (2011: R1647,626), with a fixed interest rate of 14.15% .

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

Effective interest rates on long term loans 8,64% 9,70%

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	
	2012	2011	2012	2011
PIC loan	2,300,000	2,300,000	2,671,250	2,802,768
DBSA loan	67,500,000	76,500,000	90,887,410	97,627,787

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 reporting date of 7% (2011: 7%).

Maturity of interest bearing borrowings	Variable		Fixed	
	2012	2011	2012	2011
	ZAR	ZAR	ZAR	ZAR
Less than one year	13,953,217	15,589,688	650,900	650,900
Between year 1 and 2	13,166,082	14,790,938	650,900	650,900
Between year 2 and 5	34,195,828	39,580,313	2,625,450	3,276,350
Over 5 years	25,376,773	37,091,250	-	-
	86,691,900	107,052,189	3,927,250	4,578,150

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 R49,977,530 (2011: R44,392,265).

10. POST EMPLOYMENT BENEFIT INFORMATION (continued)

10.1 University of the Western Cape Pension Fund

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

	ZAR 2012	ZAR 2011
Net benefit expense		
Current service cost	19,761,186	17,612,000
Interest cost on benefit obligation	40,634,202	34,300,000
Expected return on plan assets	(40,766,512)	(36,349,000)
Net actuarial losses recognised in the year	45,422,993	29,275,659
Less Contributions to fund included in personnel cost	(21,828,789)	(20,213,659)
Less Transfers into fund	1,323,434	2,049,000
Net benefit expense	44,546,514	26,674,000
Net benefit asset		
Net present value of future obligations	(583,571,000)	(469,795,000)
Net market value of plan assets	542,548,759	473,319,273
Net benefit (liability) / asset	(41,022,241)	3,524,273
Movements in the defined benefit obligation		
Opening defined benefit obligation 01 January	469,795,000	413,756,000
Interest cost	40,634,202	34,300,000
Current service cost	19,761,186	17,612,000
Benefits paid	(24,579,278)	(29,370,000)
Actuarial losses on obligation	77,959,890	33,497,000
Closing defined benefit obligation at 31 December	583,571,000	469,795,000
Changes in the fair value of plan assets		
Opening fair value of plan assets at 1 January	473,319,273	443,954,000
Expected return on plan assets	40,766,512	36,349,000
Contributions	21,828,789	20,213,659
Transfers into the fund	(1,323,434)	(2,049,000)
Benefits paid	(24,579,278)	(29,370,000)
Actuarial profit on plan assets	32,536,897	4,221,614
Fair value of plan assets at 31 December	542,548,759	473,319,273
The University expects to contribute R27,115,270 to its defined benefit pension plan in 2013.		
Major categories of plan assets		
Old Mutual Absolute Growth Fund	270,558,948	236,433,000
Oasis Market value Portfolio	128,225,254	121,323,000
Old Mutual Balanced Portfolio	123,502,865	97,809,000
Mergence	26,291,500	-
Prescient Asset Management	-	23,097,000
Sanlam Cash Deposit account	3,812,512	2,635,000
Value of Assured pensions	3,202,905	2,868,000
Net Creditors	(13,045,225)	(10,845,727)
	542,548,759	473,319,273

The expected return on plan assets is determined on Government bonds as at the reporting date and is estimated at 7.40% (2011: 8.65%).

Notes to the Annual Financial Statements

for the year ended 31 December 2012 (continued)

10. POST EMPLOYMENT BENEFIT INFORMATION (continued)

10.1 University of the Western Cape Pension Fund (continued)

	2012	2011
	ZAR	ZAR
The principal assumptions used in determining plan obligations are:		
Discount rate	4.30%	5.61%
Expected rate of return on assets	7.40%	8.65%
Future salary increases	6.44%	6.76%
Inflation	5.94%	5.76%
Future pension increases	0.00%	0.00%

	2012	2011	2010	2009	2008
Amounts for the current and previous four years are as follows:					
Defined benefit obligation	(583,571,000)	(469,795,000)	(413,756,000)	(389,938,000)	(353,904,000)
Plan assets	542,548,759	473,319,273	443,954,000	416,958,000	388,425,000
(Deficit) / Surplus	(41,022,241)	3,524,273	30,198,000	27,020,000	34,521,000
Experience adjustments	2012	2011	2010	2009	2008
On plan assets:	32,536,897	4,221,614	(9,937,000)	(6,337,000)	(21,441,000)
On plan liabilities:	(8,544,485)	22,232,021	12,040,000	44,980,000	9,278,000

The above disclosures are according to an IAS 19 actuarial valuation performed as at 31 December 2012, and not a full statutory actuarial valuation. The most recent actuarial statutory valuation of the fund performed as at 1 January 2013 indicated that the liabilities for all members was R505,625,000 and the actuarial value of the plan assets was R541,110,000. The fund therefore has a statutory surplus of R35,485,000 at 31 December 2012.

10.2 University of the Western Cape Retirement Fund

The University of the Western Cape Retirement Fund is a defined contribution fund, of which the majority of permanent and long-term contract employees are members. The current year's contribution to the Fund for the benefit of employees was R31.2 million (2011: R26.1 million). The fund commenced with effect 1 March 1995. The fund is currently being administered by Sanlam. An independent Board of Trustees is responsible for the governance of the fund. The Board of Trustees consists of 4 member elected trustees and 4 Council nominated trustees.

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 R7,927,500 on 31 December 2012 (2011: R7,474,364) after adding investment return.

11. LEAVE PAY PROVISION

	2012 ZAR	2011 ZAR
Opening balance	83,356,452	77,759,688
Provision released during current year	(2,379,874)	(5,889,360)
Additional provision raised	12,185,701	11,486,124
	93,162,279	83,356,452
Total leave pay liability	93,162,279	83,356,452
Current portion shown under current liabilities	11,585,838	9,266,567
Long-term portion	81,576,441	74,089,885

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

12. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Trade Payables	36,787,915	24,908,506
Salary deductions	1,318,702	1,265,631
Students with credit balances for future cash collections - Registered	21,216,085	16,574,666
Students with credit balances - Unregistered	13,619,562	10,049,376
Bursaries control	7,187,777	11,004,030
Voluntary severance package and retrenchment cost liability	252,354	252,354
NRF Deposit	31,700,000	13,180,000
Other payables	23,740,078	11,035,296
	135,822,473	88,269,859

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 R11,582,317; (2011: R2,701,065).

Notes to the Annual Financial Statements

for the year ended 31 December 2012 (continued)

13. SERVICE CONCESSION: LIABILITY

A notarial lease arrangement with Kovacs (Pty) Ltd for the lease of land (Student Housing Project) was entered into in 2010. The payment in terms of the lease commences on 01 January 2014 and the lease period is 25 years. This liability represents the obligation to provide Kovacs with a right to use the residences from when they are available for use to the end of the lease term. This liability will be released over the period that the residences are available for use. Refer to note 2.1 for further detail regarding Kovacs.

	2012 ZAR	2011 ZAR
Year ended 31 December		
Opening balance	43,282,102	-
Additional liability raised	59,284,237	43,282,102
Liability released during the current year	(2,138,571)	-
	100,427,768	43,282,102
14. STUDENT DEPOSITS		
Hostel deposits	506,625	985,395
	506,625	985,395

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	589,009,634	562,108,652
Subsidy released on Capital grants from Department of Higher Education (Restricted use)	18,704,313	5,546,000
State grants and contracts for research (Restricted use)	63,748,244	57,186,248
Clincial training subsidy and foundation training subsidy (Restricted use)	15,077,312	-
	686,539,503	624,840,900

16. INCOME FROM INVESTMENTS

	Council controlled ZAR	Restricted use ZAR	TOTAL 2012 ZAR
Interest received			
Investments	-	7,719,114	7,719,114
- Available for Sale	-	7,434,659	7,434,659
- Held to maturity	-	284,455	284,455
Cash and cash equivalents	35,100,862	3,750,615	38,851,477
Student fee debtors	844,487	-	844,487
Total interest received	35,945,349	11,469,729	47,415,078
Dividends received	99,185	4,536,864	4,636,049
Realised gain on disposal of available for sale investments	-	9,385,917	9,385,917
Unrealised fair value adjustments gains	-	40,077,252	40,077,252

	Council controlled ZAR	Restricted use ZAR	TOTAL 2011 ZAR
Interest received			
Investments	-	5,602,900	5,602,900
- Available for Sale	-	5,323,121	5,323,121
- Held to maturity	-	279,779	279,779
Cash and cash equivalents	33,605,871	1,652,778	35,258,649
Student fee debtors	3,978,593	-	3,978,593
Total interest received	37,584,464	7,255,678	44,840,142
Dividends received	83,876	4,321,366	4,405,242
Realised gain on disposal of available for sale investments	-	6,599,749	6,599,749
Unrealised fair value adjustments gains	-	5,401,746	5,401,746

Notes to the Annual Financial Statements

for the year ended 31 December 2012 (continued)

17. PERSONNEL COSTS

	Council controlled ZAR	Restricted use ZAR	Student Accommodation ZAR	2012 Total ZAR
Academic professionals				
Salaries	297,161,322	47,910,568	-	345,071,890
Post employment benefit contributions	29,633,530	726,314	-	30,359,844
Total - academic professionals	326,794,852	48,636,882	-	375,431,734
Other personnel				
Salaries	230,031,242	50,939,097	10,057,533	291,027,872
Post employment benefit contributions	18,586,143	949,231	1,300,373	20,835,747
Total - other personnel	248,617,385	51,888,328	11,357,906	311,863,619
TOTAL PERSONNEL COSTS	575 412 237	100 525 210	11 357 906	687 295 353

Average monthly personnel employed by the University during the 2012 year:

Full time	1,179
Part time	1,131
	2,310

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
O'Connell BP	Rector	12	1,759	-	1,759
Tshiwula L	Vice Rector: - Student Development and Support	12	1,134	216	1,350
Miller IM	Registrar	5	376	69	445
Cornelissen JJ	Acting Registrar	7	372	71	443
Regal A	Executive Director: - Finance and Services	12	1,006	187	1,193
Glaeser A	Executive Director: - Human Resources	12	1,144	-	1,144
Bharuthram R	Vice Rector: - Academic affairs	12	1,525	336	1,861
Deans:	Faculties:				
Christie RL	Research Development	12	766	166	932
Desai ZK	Education	12	852	149	1,001
Brown D	Arts	12	1,329	-	1,329
Osman YI	Dentistry	12	120	-	120
Sloth-Nielsen J	Law	12	877	128	1,005
Klopper H	Community and Health Sciences	12	1,188	-	1,188
Esau MV	Acting: Economic and Management Sciences	12	623	88	711
Fisher D	Acting: Natural Sciences	5	330	55	385
Davies-Coleman MT	Natural Sciences	7	497	97	594

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

No exceptional payments were made during the year.

Payments for attendance at meetings of the council and its subcommittees

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

Notes to the Annual Financial Statements

for the year ended 31 December 2012 (continued)

17. PERSONNEL COSTS (continued)

	Council controlled ZAR	Restricted use ZAR	Student Accommodation ZAR	2011 TOTAL ZAR
Academic professionals				
Salaries	261,679,902	35,423,434	-	297,103,336
Post employment benefit contributions	25,399,699	629,355	-	26,029,054
Total - academic professionals	287,079,601	36,052,789	-	323,132,390
Other personnel				
Salaries	207,463,193	46,558,150	9,440,788	263,462,131
Post employment benefit contributions	16,636,878	820,405	905,926	18,363,209
Total - other personnel	224,100,071	47,378,555	10,346,714	281,825,340
TOTAL PERSONNEL COSTS	511,179,672	83,431,344	10,346,714	604,957,730

Average monthly personnel employed by the University during the 2011 year:

Full time	1,071
Part time	1,259
	<u>2,330</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
O'Connell BP	Rector	12	1,399	15	1,414
Tshiwula L	Vice Rector: - Student Development and Support	12	911	172	1,083
Miller IM	Registrar	12	777	141	918
Regal A	Executive Director: - Finance and Services	12	872	161	1,033
Glaeser A	Executive Director: - Human Resources	12	914	-	914
Bharuthram R	Vice Rector: - Academic affairs	12	1,318	364	1,682
Deans:					
Faculties:					
Christie RL	Research Development	12	725	161	886
Desai ZK	Education	12	751	141	892
Brown D	Arts	12	899	-	899
Osman YI	Dentistry	12	118	-	118
Sloth-Nielsen J	Law	12	955	134	1,089
Mpofu RMB *	Community and Health Sciences	12	978	-	978
Tapscott CPG	Economic and Management Sciences	12	833	82	915
Van Bever Donker JM	Natural Sciences	12	749	141	890

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

No exceptional payments were made during the year.

Payments for attendance at meetings of the council and its subcommittees

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

Notes to the Annual Financial Statements

for the year ended 31 December 2012 (continued)

18. OTHER OPERATING REVENUES AND EXPENSES

	Council controlled ZAR	Restricted use ZAR	Student Accommo- dation ZAR	2012 TOTAL ZAR
--	------------------------------	--------------------------	--------------------------------------	----------------------

18.1 OTHER RECURRENT INCOME

	14,670,328	63,243,111	-	77,913,439
--	------------	------------	---	------------

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

	7,776,983	-	-	7,776,983
--	-----------	---	---	-----------

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	8,891,251	20,654,090	118,293	29,663,634
Advertising	5,974,731	2,539,528	1,468	8,515,727
Bad debts written off/Impairments	16,412,142	-	-	16,412,142
Bursaries and prizes	18,107,585	48,537,668	-	66,645,253
Cleaning	14,153,956	94,081	8,209,093	22,457,130
Computer maintenance and licensing	17,936,961	987,757	12,734	18,937,452
Electricity and water	29,759,608	26,259	8,344,828	38,130,695
Entertainment	5,029,786	3,601,183	899,094	9,530,063
Food provisions	161,459	134,494	-	295,953
Hire of equipment	374,818	41,864	-	416,682
Insurance	2,794,320	76,053	-	2,870,373
Journals and subscriptions	13,691,929	685	-	13,692,614
Library and art acquisitions	2,405,162	426,204	-	2,831,366
Postage and telephone	5,766,875	1,385,582	267,262	7,419,719
Printing and stationery	14,993,706	4,017,185	427,885	19,438,776
Professional services	34,723,358	10,900,980	5,569	45,629,907
Property rates	11,483,744	7,486	-	11,491,230
Protective clothing	509,577	82,604	3,819	596,000
Rebate on fees	1,574,649	-	-	1,574,649
Rent of buildings	1,419,026	1,056,128	3,061,573	5,536,727
Repairs and maintenance	21,164,496	494,513	3,032,799	24,691,808
Security contracts	12,001,407	298,741	7,904,478	20,204,626
Staff meals: food services	2,170,819	970,946	33,091	3,174,856
Sundries	14,300,422	24,715,592	470,815	39,486,829
Travel and subsistence	18,750,105	27,684,748	3,906,002	50,340,855
Vehicle expenses	2,765,292	1,400,098	223,453	4,388,843
	<u>277,317,184</u>	<u>150,134,469</u>	<u>36,922,256</u>	<u>464,373,909</u>

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.

18. OTHER OPERATING REVENUES AND EXPENSES (continued)

	Council controlled ZAR	Restricted use ZAR	Student Accommo- dation ZAR	2011 TOTAL ZAR
--	------------------------------	--------------------------	--------------------------------------	----------------------

18.1 OTHER RECURRENT INCOME

	10,144,391	39,225,711	-	49,370,102
--	------------	------------	---	------------

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

	-	-	12,229	12,229
--	---	---	--------	--------

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	9,765,048	20,742,821	30,518	30,538,387
Advertising	6,765,725	1,364,470	-	8,130,195
Bad debts written off/Impairments	678,017	-	-	678,017
Bursaries and prizes	16,619,580	47,296,299	-	63,915,879
Cleaning	11,779,997	7,957	8,752,547	20,540,501
Computer maintenance and licensing	14,187,238	2,511,756	7,171	16,706,165
Electricity and water	24,211,434	271,856	7,209,846	31,693,136
Entertainment	5,544,256	2,706,314	648,608	8,899,178
Food provisions	122,497	107,559	15,230	245,286
Hire of equipment	448,538	27,128	350	476,016
Insurance	4,352,194	38,932	-	4,391,126
Journals and subscriptions	16,594,882	1,868	-	16,596,750
Library and art acquisitions	1,937,469	386,830	-	2,324,299
Postage and telephone	6,031,367	1,333,526	339,703	7,704,596
Printing and stationery	14,808,571	3,866,559	362,436	19,037,566
Professional services	24,113,178	10,054,598	144	34,167,920
Property rates	12,178,535	-	-	12,178,535
Protective clothing	196,529	27,716	8,116	232,361
Rebate on fees	1,392,516	-	-	1,392,516
Rent of buildings	720,875	1,349,684	2,975,085	5,045,644
Repairs and maintenance	17,381,551	250,827	2,918,762	20,551,140
Security contracts	9,157,194	172,068	6,689,840	16,019,102
Staff meals: food services	1,698,957	629,416	69,977	2,398,350
Sundries	8,852,755	25,311,380	636,794	34,800,929
Travel and subsistence	17,739,888	27,047,370	3,822,351	48,609,609
Vehicle expenses	1,834,389	567,060	153,081	2,554,530
	229,113,180	146,073,994	34,640,559	409,827,733

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 2012 (continued)

19. FINANCE AND RELATED COSTS

	ZAR Council Controlled 2012	ZAR 2011
Finance costs		
Long term loans	6,905,044	7,698,362
	6,905,044	7,698,362
Other related costs		
Portfolio administration costs	2,443,080	2,145,034

20. 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 interest rate risk, liquidity risk, credit risk and price risk. Management 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 3: held to maturity - R3,149,350 (2011: R3,120,258) note 4: staff loans - R159,620 (2011: R174,535); note 6: student fee debtor - R72,935,457 (2011: R76,379,108); note 7: other receivables excluding prepayments - R25,400,792 (2011: R18,819,147) and note 8 cash and cash equivalents - R562,055,152 (2011: R625,579,337). Credit risk in respect of student debtors is managed by the application of credit monitoring procedures and enrolment processes. All student fee debtors at year end reflect debt that is past its 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

Interest rate risk on investments, long term loans and cash is managed by utilising a mix of fixed and variable rate instruments that avoid a concentration of risk.

Interest rate risk table:

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

	ZAR 2012	ZAR 2011
Interest rate changes		
The effect of a 1% increase in interest rate on net surplus	5,078,986	5,622,115
The effect of a 1% decrease in interest rate on net surplus	(5,078,986)	(5,622,115)

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 R15,000,000 available. Refer to note 9 and note 12 for contractual maturing of financial liabilities.

Price risk

There is an exposure to price risk on listed and unlisted 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.

20. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Price risk table:

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

	ZAR 2012	ZAR 2011
Price risk changes		
The effect of a 5% increase in price risk on funds	21,740,717	12,988,738
The effect of a 5% decrease in price risk on funds	(21,740,717)	(12,988,738)

21. COMMITMENTS AND CONTINGENT LIABILITY

	ZAR 2012	ZAR 2011
21.1 Capital commitments		
Amounts allocated for capital expenditure at reporting date, but not contracted.	284,152,915	331,882,378
Capital expenditure contracted for at year end, but not yet incurred	35,000,000	6,500,000
Total planned capital expenditure	319,152,915	338,382,378

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

21.2 Operating lease commitments - University as lessee

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

Not later than 1 year	3,873,772	2,720,532
Later than 1 year and not later than 5 years	2,637,912	2,082,188
	6,511,684	4,802,720

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.

21.3 Operating lease commitments - University as lessor

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

Not later than 1 year	64,800	43,183
Later than 1 year and not later than 5 years	330,800	300,737
Later than 5 years	6,679,368	6,774,242
	7,074,968	7,118,162

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

Contingent liability

A contingent liability exists in respect of collateral security of R42,230 (2011: R42,230) 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 2012 (continued)

22. TRANSFERS TO CLEAR DORMANT ENTITIES

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

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

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

	ZAR Restricted use	ZAR 2012	ZAR 2011
Transfers to clear entities with credit balances	(173 763)	(173,763)	-
Transfers to clear entities with debit balances	155 680	155,680	-
	(18 083)	(18,083)	-

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

23. RELATED PARTIES

Due to the nature of the University's operations and the composition of its Council (being drawn from public and private sector organisations) it is possible that transactions will take place with organisations in which a member of Council may have an interest. All transactions involving organisations in which a member of Council may have an interest are conducted at arms length and in accordance with the University's regulations and normal procurement procedures. The Department of Higher Education and Training is a related party and transactions the Department with them comprise various subsidies and grants received amounting to R686,539,503 (2011: R624,840,900). None of the University's Council Members declared having business interest with the University.

24. 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 deferred revenue will be recognised as income on a systematic and rational basis over the useful life of the assets.

	ZAR 2012	ZAR 2011
At 1 January	372,583,426	295,973,491
Deferred during the year	88,350,000	82,155,935
Recognised during the year	(18,704,313)	(5,546,000)
At 31 December	442,229,113	372,583,426

25. NOTES TO THE CASH FLOW STATEMENT
 25.1 Net surplus before interest and dividends

	Notes	ZAR 2012	ZAR 2011
Net surplus from			
Council controlled funds		16,359,140	78,454,558
Restricted use funds		114,891,659	72,966,503
Student accommodation funds		(6,033,546)	(6,544,706)
Consolidated net surplus for the year		125,217,253	144,876,355
Separately disclosable items			
Interest received	16	(46,948,498)	(44,396,108)
Interest earned and reinvested	3&16	(466,580)	(444,034)
Dividends received	16	(4,636,049)	(4,405,242)
Finance costs	19	6,905,044	7,698,362
Net surplus before interest and dividends		80,071,170	103,329,333

25.2 CASH, BANK AND CASH EQUIVALENTS

Cash at bank and on hand	550,145,806	261,315,940
Short term bank deposits	11,909,346	364,263,397
	562,055,152	625,579,337

At 31 December 2012 the University had available R66,400,000 (2011: R55,400,000) of undrawn committed facilities in respect of which all conditions precedent had been met.

Annexures: composition, membership and attendance of key committees

COMPOSITION AND MEMBERSHIP: COUNCIL

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

The Rector and Vice-Rectors

Prof Brian O'Connell
Prof Lullu Tshiwula
Prof Ramashwar Bharuthram

Five persons appointed by the Minister of Education

The previous members' term came to an end (2 March 2012) before the 1st Council Meeting.

New members' terms started on 14 June 2012.

Ms Xoliswa Bam
Mr Onkgopotse Tabane
Mr Zamayedwa Sogayise
Mr Bhekinkosi Mvovo
Dr Raymond Patel

Two members of Senate

Prof Emmanuel Iwuoha
Prof Jose Frantz

One academic employee

Prof Thozamile Mabusela

One non-academic employee

Mr Samuel Marcus

Two registered students

Mr Chrispin Phiri
Mr Nqabakazi Jaxa

Two donors

Ms Karen Barry (Term came to an end on 30 June 2012; 2nd term started on 1 July 2012)
Mr John Matthews (Term came to an end on 30 June 2012)
Mr Michael Jackson (Term started on 1 July 2012)

One member of the City of Cape Town

Dr Johannes van der Merwe (Term came to an end on 8 June 2012)
Cll Antonio van der Rhee (Term started on 9 June 2012)

Two persons elected by Convocation

Mr Brian Williams
Mr Randall Titus

One member of organised business in the Western Cape

Mr Oscar Solomons

One member of organised business in South Africa

Mr Mthunzi Mdwaba (Term started on 1 July 2012)

One member of organised labour in South Africa

Mr Manene Samela

One member of organised labour in the Western Cape

Mr Ronald Philander

One person designated by the Premier of the Western Cape

Dr Leon Van Rensburg

A minimum of four and a maximum of six additional members

Mr Michael Abel
Mr Sedick Jappie
Dr Anwah Nagia (Second term started on 19 June 2012)
Ms Gayle Kaylor (Second term started on 19 June 2012)
Mr Nick Christodoulou (Term came to an end on 11 August 2012)
Mr Khaya Somdyala (Term started on 1 July 2012)
Mr John Matthews (Term started on 18 October 2012)

COMPOSITION AND MEMBERSHIP: COUNCIL AUDIT AND RISK COMMITTEE

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

Two members of Council

Dr Johannes Van der Merwe (Term came to an end on 8 June 2012)
Mr Hlengani Mathebula (Term came to an end on 2 February 2012)
Mr S Jappie (From 13 March 2012 – 31 October 2012)
Mr O Solomons (From 13 March 2012 – 31 October 2012)
Ms K Barry (From 1 November 2012)
Mr M Jackson (From 1 November 2012)

Two persons appointed by Council

Mr Iqbal Khan (Term came to an end on 1 June 2012)
Ms Thobeka Sishuba-Mashego (from 1 April 2011)
Mr Kariem Hoosain (From 1 November 2012)

Annexures: composition, membership and attendance of key committees

COMPOSITION AND MEMBERSHIP: COUNCIL FINANCE COMMITTEE

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

The Rector

Prof Brian O'Connell

The Vice-Rectors

Prof Lullu Tshiwula
Prof Ramashwar Bharuthram

The Executive Director: Finance

Mr Manie Regal

An additional member of the Management Committee

Ms Amanda Glaeser

One Dean designated annually by the Executive Committee of Senate

Prof Yusuf Osman (From 1 February 2012)

The Dean of Research

Prof Renfrew Christie

Two members of Senate

Prof Jimi Adesina (From 1 February 2012)
Prof David Fisher (From 12 April 2012 – 30 July 2012)
Prof Mike Davies-Coleman (From 1 August 2012)

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

Ms Karen Barry (Until 30 October 2012)
Mr Nick Christodoulou (Term came to an end on 11 August 2012)
Mr John Matthews
Mr Onkgopotse Tabane (From 1 August 2012)
Mr Zamayedwa Sogayise (From 1 August 2012)

COMPOSITION AND MEMBERSHIP: INSTITUTIONAL FORUM

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

Three representatives of the Management

Prof Brian O'Connell
Prof Lullu Tshiwula
Ms Amanda Glaeser

Three representatives of the Senate

Ms Birgit Schreiber
Prof Ciraj Rassool
Dr Gavin Davis

Three representatives of Council

Dr Johannes van der Merwe (Term came to an end on 8 June 2012)
Mr Ronald Philander

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

Dr Visvanathan Naicker (from 19 February 2012)
Vacant
Vacant

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

Ms Lucille Teegler
Mr Samuel Marcus
Vacant

Three representatives of the students elected by the Student Representative Council

Mr Marx Mtoto (Term started on 1 October 2011)
Mr Amaan Phiri (Term started on 1 October 2011)
Ms Namhla Sigonya (Term started on 1 October 2011)

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

Not appointed

Notes to the Annual Financial Statements

for the year ended 31 December 2012 (continued)

ATTENDANCE BY COUNCILLORS: COUNCIL, FINANCE AUDIT AND RISK COMMITTEE MEETINGS 2012

COUNCILLOR	COUNCIL: 5 meetings	FINANCE: 5 meetings	AUDIT: 4 meetings
1. Prof Brian O'Connell	5 out of 5	1 out of 5	
2. Prof Lullu Tshiwula	3 out of 5	2 out of 5	
3. Prof Ramashwar Bharuthram	5 out of 5	3 out of 5	
4. Ms Xoliswa Bam Started on 14 June 2012	4 out of 4		
5. Mr Onkgopotse Tabane Starte'd on 14 June 2012	2 out of 4	1 out of 2	1 out of 2
6. Mr Zamayedwa Sogayise Started on 14 June 2012	3 out of 4	2 out of 2	
7. Mr Bhekinkosi Mvovo Started on 14 June 2012	3 out of 4		
8. Dr Raymond Patel Started on 14 June 2012	3 out of 4		
9. Prof Emmanuel Iwuoha	5 out of 5		
10. Prof Jose Frantz	5 out of 5		
11. Prof Thozamile Mabusela	5 out of 5		
12. Mr Samuel Marcus	5 out of 5		
15. Mr Chrispin Phiri (SRC President)	5 out of 5		
16. Mr Nqabakazi Jaxa	2 out of 4		
17. Mr John Matthews Term ended on 30 June 2012	1 out of 3	1 out of 1	
18. Ms Karen Barry Term ended on 30 June 2012	0 out of 2	0 out of 1	1 out of 1
19 Mr Michael Jackson Started 1 July 2012	2 out of 3		1 out of 1
20. Dr Johannes Van der Merwe Term ended on 8 June 2012	1 out of 1		2 out of 2
21 Cll Antonio Van der Rheede Started on 9 June 2012	2 out of 4		
22. Mr Oscar Solomons	3 out of 5		2 out of 3
23 Mr Mthunzi Mdwaba Started on 1 July 2012	2 out of 4		
24. Dr Leon van Rensburg	5 out of 5		
25. Mr Randall Titus	4 out of 5		
26. Mr Brian Williams	5 out of 5		
27. Mr Ronald Philander	4 out of 5		
28. Mr Manene Samela	5 out of 5		
29. Ms Gayle Kaylor	3 out of 5		
30. Dr Anwah Nagia	5 out of 5		
31. Mr Sedick Jappie	4 out of 5		1 out of 2
32. Mr Nick Christodoulou Term ended on 11 August 2012	1 out of 2	3 out of 3	
33. Mr Michael Abel	4 out of 5		
34. Mr Khaya Somdyala Started on 1 July 2012	3 out of 3		

Attendance of Audit Committee meetings by non-Council members

Mr Iqbal Khan	2 out of 2
Ms Thobeka Sishuba-Mashego	2 out of 3
Mr Kariem Hoosain	0 out of 1

Attendance of Finance Committee meetings by non-Council members

1. Mr Manie Regal (Exec. Director: Finance)	5 out of 5
2. Ms Amanada Glaeser (Exec. Director: Human Resources)	4 out of 5
3. Prof Jimi Adesina	2 out of 4
4. Prof Renfrew Christie	4 out of 5
5. Prof Yusuf Osman	3 out of 4
6. Prof David Fisher	2 out of 2
7. Prof Mike Davies-Coleman	2 out of 2



UNIVERSITY *of the*
WESTERN CAPE

University of the Western Cape
www.uwc.ac.za