



ANNUAL REPORT FOR 2023

Compiled in terms of the Regulations for reporting by Public Higher Education Institutions published under Government Notice No R 464 of 9 June 2014.

OF

THE UNIVERSITY OF CAPE TOWN

Incorporated in terms of the Higher Education Act, 1997, and the Statute of The University of Cape Town, as published and gazetted on 24 January 2020 in Government Gazette No 41, in Government Gazette No 42967 and amended under Government Gazette No 45954, Government Notice No 1793 of 25 February 2022.

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REPORT OF THE CHAIR OF COUNCIL FOR 2023

The term of appointment of the members of Council is for a period of four years. The details of the membership of Council are recorded below.

Details of the Council of the University of Cape Town as at 17 June 2023

EXECUTIVE OFFICERS OF THE COUNCIL

- Emeritus Professor BD Reddy (Vice-Chancellor *Interim*)
- Mr RN Pillay (Registrar) (Secretary to Council)
- Professor E Ramugondo (Deputy Vice-Chancellor)
- Dr Reno Morar (Chief Operating Officer)

MEMBERS OF COUNCIL

Ministerial Appointees <ol style="list-style-type: none">1. Ms S Barsel2. Ms Pheladi Gwangwa3. Ms Innocentia Pule4. Ms Kunyalala Maphisa5. Professor Neil Eccles
Members elected by convocation <ol style="list-style-type: none">6. Ms Marlene le Roux7. Dr S Manjra8. Professor Christopher Vaughan (A fourth member, Ms K Makholiso, who had been appointed following the resignation in 2022 of Convocation-elected member Mr Dumisa Ntsebeza, resigned in 2023 and was replaced by the appointment of Mr R Isaacs via the Appointments Committee of Council.)
Academic and professional administrative & support staff (PASS) elected members <ol style="list-style-type: none">9. Ms B Mtsi (PASS 2-6)10. Mr S Chetty (PASS 7-13)11. Professor Rudzani Muloiwa (Academic)
Members elected by Senate <ol style="list-style-type: none">12. Professor N Ntusi13. Professor D Chirwa14. Mr J Rousseau
Members elected by donors <ol style="list-style-type: none">15. Mr E Davids16. Ms D Yach
Nominee of Cape Town City Council <ol style="list-style-type: none">17. Mr G van Onselen
Nominee of the Premier of the Western Cape <ol style="list-style-type: none">18. Dr M Cardo
Appointed by the Appointments Committee of Council * <ol style="list-style-type: none">19. Mr N Arendse (Chairperson, with effect 1 July 2023)20. Mr M Campbell21. Mr R Isaacs22. Ms N Mohamed23. Ms T Mokgabudi
Appointed by the Students Representative Council <ol style="list-style-type: none">24. Ms H Dube25. Ms D Hlope

* Appointments Committee is responsible for appointing five external members of Council and for filling vacancies occurring in the Convocation and Donor constituencies during the four-year term of office.

Council Statement on Corporate Governance

Legal Persona and Capacity

The University is autonomous and is a legal persona with full juristic capacity by virtue of its incorporation as a university (originally by an Act of the Union Parliament of 1916 when Parliament incorporated the South African College, and now in terms of the Higher Education Act, 1997 (the Act) and the Institutional Statute of the University of Cape Town published under that Act). This legislation places the governance of the University in the hands of a Council, provides for the Council's composition and powers, and provides for the role and powers of the Senate and the role and functions of the Institutional Forum.

The Council and Governance Structures Provided for in the Act

The University of Cape Town grew out of the South African College, which had been established in 1829. The institution became a University in 1918 under a 1916 Act of the Union Parliament. That, and successive legislation, gave way to the Higher Education Act, No. 101 of 1997 (the Act), and the promulgation in terms of the Act of the Institutional Statute of the University of Cape Town (under government notice No 1199 of 20 September 2002 and as subsequently amended). The Act deals inter alia with public higher education institutions, of which the University is one.

The Act requires a public higher education institution to have a Council, a Senate, a structure to advise the Council on student matters, an Institutional Forum, and a Students' Representative Council. The Act, read with the Institutional Statute, defines the role, powers and composition of each of these bodies.

The Council governs the University in terms of the Act and the Statute. It consists of not more than 30 members, of whom 60% are external or independent (in that none may be a student nor a staff member). The term of office (other than for the student members who serve for one year, and the Vice-Chancellor and Chief Operations Officer who serve ex officio, and one of the Deputy Vice-Chancellors who serves on an annual basis) is four years.

While the Council governs the University, the Senate has jurisdiction over the academic functions of the University. The Senate consists of all professors, all heads of academic departments, elected academic and support staff, members appointed by the UCT Nominations Committee from the academic departments, elected student members and co-opted members. Much of the work of Senate is done by the Faculty Boards (UCT has six faculties, a centre for higher education development and a business school) and by committees of the Senate.

The Institutional Forum brings together (in a body of 30) 10 student members chosen by the Students' Representative Council, 10 staff members chosen by trade unions and staff bodies, and 10 members representing Council, Senate and executive leadership. It advises the Council on issues affecting the University as required by the Act.

The Council is supported by specialist committees and working groups.

The matters reserved for decision by full Council are those specified in the Act (changes to the Institutional Statute, adopting institutional rules, acquiring or disposing of fixed property, setting fees, and specified financial transactions), those listed in the Institutional Statute (paragraph 12(5)), and matters that Council has reserved to itself. Beyond this, Council has powers of delegation and has made use of these powers to delegate or assign

some of its powers and functions to a committee of Council, a member of Council, or an officer of the University (paragraph 12(4) of the Statute). Schedules of delegated authority are reviewed annually by Council.

The Council as constituted complies with the requirements of the law. Members of Council are not remunerated. Should a Council member need to travel outside Cape Town, or to Cape Town to attend a meeting however, s/he may be reimbursed for the travel expenses incurred.

Ethics in Decision-making and in University Work

Each Council member, all senior managers, and all members of Council committees are required: (i) to make an annual declaration of interests; (ii) to declare any conflict or potential conflict ahead of discussion of relevant issues; and (iii) to recuse themselves should any such conflict of interest arise. In addition, all Council members must subscribe to the Council's code on conflicts (or potential conflicts) of interest, as well as the Council code of conduct.

The challenges at UCT during 2023 centred to a large extent around contestations related to conflicts of interest, and the report of the independent panel of investigation, appointed by the Council, provides important detail related to the investigation of governance matters at UCT during the period 2018-2022. Council had resolved in October 2022 to establish an independent panel, whose work commenced in January 2023. The independent panel of investigation completed its work and submitted a report to the UCT Council in October 2023. The report revealed governance failures at UCT.

On 28 October 2023 the Council adopted the findings and recommendations of the independent panel of investigation. At a subsequent meeting on 11 November 2023 Council reaffirmed its commitment to remedying past governance failures and strengthening current structures by complying with UCT's regulations and policies and enforcing the Council code of conduct. This included ensuring the delineation of the oversight governance role of Council from the executive management function together with matters that fall within the purview of the Senate. Student governance via the Students' Representative Council (SRC) and the role of the Institutional Forum (IF) remain important arms of institutional governance. Council expressed its determination to ensure that UCT moved forward and in doing so restore the university community and the public's trust and confidence in UCT as a leading institution of higher learning.

The Ombud's Office represents a further step to ensure fairness in all institutional dealings with staff, students and third parties, and to promote probity. The Ombud reports to Council via the chairperson and deputy chairperson of Council.

In addition, a whistle-blower hotline which has been in operation since 2015 has been managed externally through Whistle Blowers Pty Ltd since 2018. Allegations of fraud, corruption, or unethical conduct may be reported confidentially and anonymously. UCT's fraud and corruption prevention policy and response plan was approved by Council in 2022. Council also approved the Whistleblowing Policy as recommended by the University Audit and Risk Committee. This policy expands the existing whistleblowing guideline and reinforces the university's commitment to combat unethical and dishonest conduct. The policy draws on existing legislation such as the Protected Disclosures Act and the Prevention and Combating of Corrupt Activities Act. It also draws on existing UCT policies, such as the Fraud and Corruption Prevention Policy. It details reporting procedures as well as response handling. The policy took effect from 1 July 2023.

Stakeholders

UCT is a diverse community, located within a wider context of multiple stakeholder groups on whom UCT relies, and who have expectations of the University in terms of its mission, actions, and decisions. The University's stakeholder network includes, inter alia, academic partners, staff (academic and professional), students, government agencies, the private sector, civil society groups, parents, funders, and the media. These relationships are valued and nurtured at various levels in the institution. For example, this is done via the

Executive with government agencies, via the faculties and research units with research partners, via the Development and Alumni Department with donors, alumni and members of Convocation, with schools and parents via the Student Admissions Office, with staff members via the representative bodies and consultative forums, with students via the SRC and other student formations, with the media via the Executive and the Department of Communication and Marketing, and with civil society groupings through the work of the University in its social responsiveness and community engagement endeavours.

The Responsibilities of the Council

The Council's key responsibilities are to ensure that:

- The University has clear strategic goals and objectives.
- The Executive Officers (the Vice-Chancellor, Deputy Vice-Chancellors and Chief Operating Officer) are held to account in achieving the University's goals and objectives.
- The University's financial position is sound in the short and long term.
- No fees are set, and no financial appropriations made, without Council approval.
- Risk management and internal controls are in place.
- All the University's members (staff, students, and alumni), donors, clients, and suppliers are treated in an appropriate manner.
- The University complies with relevant laws, regulations, and accounting policies.

Objectives for the Council for 2023

The Chair of Council is required to report annually on the work of the Council. The Auditor General requires that the Council report on the extent to which the Council has met its pre-determined objectives for the year. The reporting regulations as published in the Gazette of 9 June 2014 under Government Notice No. R.464 are designed for reporting against such pre-determined objectives. A key part of this is the Annual Performance Plan. Having regard to this, and its responsibilities under the Act and the Statute, the Council (at its meeting of 3 December 2022) set the following high-level objectives for 2023.

Table 1: Objectives for the Council for 2023

Council objectives related to predetermined objectives and statutory oversight follows below:	
<p>To approve the submissions to the Department of Higher Education and Training as they relate to the annual cycle of planning and reporting as follows:</p> <p>a) The 2022 Annual Report b) The 2023 Mid-year Performance Report c) The 2024 Annual Performance Plan</p>	<p>Council authorised for submission to the Department of Higher Education (a) the 2022 Annual Report in December 2023; (b) the 2023 Mid-year Performance Report in November 2023; and (c) the 2024 Annual Performance Plan in December 2023.</p>
<p>To achieve the approved enrolment targets for 2023, as well as the graduate output and throughput targets.</p> <p>UCT's enrolment planning compact with the Ministry and the Department of Higher Education and Training required that UCT achieve a headcount enrolment of 29 884 (2022: 28 449) students in 2023. This agreed target total can be broken down as follows: 17 968</p>	<p>See pages 30 to 37</p>

Council objectives related to predetermined objectives and statutory oversight follows below:	
(2022: 16 414) undergraduate students, 3 238 (2022: 3 240) postgraduates below the master's level, 6 085 (2022: 5 213) master's students and 2 293 (2022: 2 094) doctoral enrolments. The headcount enrolment was projected to translate into 21 977 (2022: 21 635) full-time equivalent enrolments.	
<p>To ensure that earmarked funds for 2023 designated and awarded to UCT by the Minister of Higher Education, Science and Innovation are utilised for the specific purposes as intended. These include:</p> <ul style="list-style-type: none"> • the University Capacity Development Grant (encompassing teaching- and research-development); • University Capacity Development Grant Collaborative Grants; • the foundation programme grants; • the infrastructure and efficiency grants; • the clinical training grant; • the University Capacity Development Grant Collaborative Grants; • the National Student Financial Aid Scheme. <p>Earmarked grants are funds that may be used only for specific purposes designated by the Minister, and the accountability for the use thereof is through the submission of progress reports and financial statements which are provided on an annual basis by the universities. The University enters into an agreement with the Department of Higher Education about programmes and activities that will be funded and the funds that will be made available.</p>	See pages 37 – 49
Council objectives in relation to governance and internal objectives follow below:	
<p>To govern the University effectively, ensuring and promoting academic freedom, transformation and sustainability, and success in the core activities of teaching & learning, research, and community engagement. Key deliverables in relation to this are as follows:</p> <ul style="list-style-type: none"> • To receive reports on teaching & learning; research; and social responsiveness and engaged scholarship. • To receive a report from the University Executive Management on Transformation and monitor progress to advance institutional transformation. 	See pages 49 to 57
To hold the Vice-Chancellor accountable for his objectives and for effective administration.	See pages 19 to 30

The Committees of Council

Council Meetings

The meeting attendance (for regular and special meetings) by Council members is recorded below.

Table 2: Council Meetings 2023

2023	11 March	17 June	22 June (reconvened)	14 October	2 December	6 December (reconvened)	% Attendance
N Arendse	N/A	P	P	P	P	P	100
S Barsel	P	P	P	P	P	P	100
M Campbell	P	P	P	P	P	P	100
M Cardo	P	Ap	P	P	P	Ap	67
S Chetty	P	P	P	P	P	P	100
D Chirwa	P	P	Ap	P	Ap	P	67
E Davids	Ap	P	P	P	P	Ap	67
HGL Dube	P	P	Ap	N/A	N/A	N/A	67
N Eccles	P	P	P	P	P	P	100
P Gwangwa	P	P	Ap	P	P	P	83
S Harrison	N/A	N/A	N/A	P	P	P	100
S Hlophe	P	Ab	Ab	N/A	N/A	N/A	33
R Isaacs	N/A	P	P	P	P	P	100
H Khorommbi	N/A	N/A	N/A	P	P	P	100
M le Roux	P	P	P	P	P	P	100
L Lushaba	Ab	Ab	Ab	Ab	N/A	N/A	0
S Manjra	P	P	P	P	P	P	100
K Maphisa	P	P	P	Ap	P	P	83
Y Mathabatha	N/A	N/A	N/A	Ab	P	Ap	33
N Mohamed	P	P	P	P	P	P	100
T Mokgabudi	Ap	P	Ap	Ap	P	Ab	33
R Morar	P	P	P	N/A	N/A	N/A	100
B Mtsi	P	P	P	Ap	Ap	P	67
R Muloiwa	P	P	P	Ap	P	P	83
B Ngonyama	P	N/A	N/A	N/A	N/A	N/A	100
N Ntusi	P	P	Ap	P	P	P	83
M Parker	N/A	N/A	N/A	P	P	P	100
I Pule	N/A	P	P	P	P	Ap	80
E Ramugondo	P	P	P	N/A	N/A	N/A	100
BD Reddy	N/A	P	P	P	P	P	100

J Rousseau	P	P	P	Ap	P	P	83
C Vaughan	P	P	P	P	P	P	100
G van Onselen	Ap	P	Ap	Ap	N/A	N/A	25
D Yach	P	P	P	P	P	P	100

KEY:

P = Present
Ap = Apology
Ab = Absent
N/A = Not a member

Table 3: Special Meetings of Council January to May 2023

2023	31 January	9 February	21 February	6 March	5 April	2 May	29 May	% Attendance
S Barsel	P	P	P	P	P	P	P	100
M Campbell	P	P	P	P	P	P	P	100
M Cardo	P	P	P	P	Ap	P	P	86
S Chetty	P	P	P	P	P	P	P	100
D Chirwa	Ap	P	P	P	P	Ap	P	71
E Davids	P	P	P	P	Ap	P	P	86
HGL Dube	P	P	P	P	P	P	P	100
N Eccles	P	P	P	Ap	Ap	P	P	71
P Gwangwa	P	P	P	P	P	P	P	100
S Hlophe	N/A	N/A	N/A	P	P	P	Ab	75
M le Roux	P	P	P	P	Ap	P	P	86
L Lushaba	Ab	Ab	P	Ab	Ab	Ab	Ab	14
S Manjra	P	P	P	P	Ap	P	P	86
K Maphisa	Ab	P	P	P	Ab	P	P	71
N Mohamed	P	P	P	P	Ap	P	P	86
T Mokgabudi	Ap	Ap	Ap	Ap	Ap	Ap	Ap	0
R Morar	P	R	P	P	P	Ap	P	71
B Mtsi	P	P	P	P	Ap	Ab	P	71
R Muloiwa	P	P	P	P	Ab	P	P	86
B Ngonyama	P	P	P	P	P	P	N/A	100
N Ntusi	P	P	P	P	P	Ap	P	86
I Pule	N/A	N/A	N/A	N/A	N/A	P	P	100
M Phakeng	P	R	R	R	N/A	N/A	N/A	25
E Ramugondo	P	R	P	P	P	Ap	P	71
BD Reddy	N/A	N/A	N/A	N/A	P	P	P	100
J Rousseau	P	P	P	P	P	P	P	100

C Vaughan	P	P	P	P	P	P	P	100
G van Onselen	P	P	P	P	P	Ap	Ap	71
D Yach	P	P	P	P	Ap	P	P	86

KEY:

P = Present
Ap = Apology
Ab = Absent
N/A = Not a member
R = Recused

Table 4: Special Meetings of Council July to November 2023

2023	21 July	31 August	16 October	17 October	28 October	11 November	% Attendance
N Arendse	P	P	P	P	Ap	P	83
S Barsel	P	P	P	P	P	P	100
M Campbell	P	P	P	P	P	P	100
M Cardo	P	P	Ap	P	P	Ap	67
S Chetty	P	P	P	P	P	P	100
D Chirwa	P	P	P	P	P	Ap	83
E Davids	P	P	P	Ap	Ap	P	67
HGL Dube	Ab	N/A	N/A	N/A	N/A	N/A	0
N Eccles	P	Ap	P	P	P	AP	67
P Gwangwa	P	P	P	R	R	R	50
S Harrison	P	P	P	P	P	P	100
S Hlophe	Ab	N/A	N/A	N/A	N/A	N/A	0
R Isaacs	P	P	P	Ap	P	P	83
H Khorommbi	N/A	P	P	Ab	P	P	80
M le Roux	P	Ap	P	P	Ap	Ap	50
L Lushaba	Ab	Ab	Ab	Ab	N/A	N/A	0
S Manjra	P	P	P	P	Ap	P	83
K Maphisa	Ab	Ab	P	P	Ap	P	50
Y Mathabatha	N/A	N/A	Ab	P	P	P	75
N Mohamed	P	P	P	P	P	P	100
T Mokgabudi	Ap	Ap	Ap	Ap	Ap	Ap	0
R Morar	P	N/A	N/A	N/A	N/A	N/A	100
B Mtsi	P	Ab	Ab	P	P	Ab	50
R Muloiwa	P	P	P	P	P	Ap	83
N Ntusi	P	Ap	P	P	Ap	Ap	50
M Parker	N/A	P	P	P	P	Ap	80

I Pule	Ap	P	Ap	P	P	Ap	50
BD Reddy	P	P	P	P	Ap	P	83
J Rousseau	P	P	P	P	P	P	100
C Vaughan	P	P	P	P	P	P	100
G van Onselen	Ap	Ap	Ap	Ap	Ap	Ab	0
D Yach	P	P	P	P	P	P	100

KEY:

P = Present
Ap = Apology
Ab = Absent
N/A = Not a member
R = Recused

Council's Executive Committee

Council is supported by a standing Executive Committee (EXCO) to which Council has delegated specific formal decision-making functions. Council meets at least four times each year and EXCO meets regularly between February and November, generally in those months in which Council does not meet.

The EXCO consists of the Chair and Deputy Chair of Council, the Chair of the University Finance Committee, four additional members of Council (two of whom must be external members and one of whom must be a student member) and the Vice-Chancellor.

The table below sets out the number of EXCO meetings held in 2023 and each member's attendance record.

Table 5: Attendance at Council Executive Committee (Council EXCO) Meetings 2023

2023	20 April	25 May	20 July	31 July	17 August	9 November	% Attendance
N Arendse	N/A	N/A	P	P	P	P	100
S Barsel	P	P	P	P	P	P	100
M Campbell	P	P	P	P	P	Ap	83
HGL Dube	P	P	Ap	Ab	P	N/A	60
R Isaacs	N/A	N/A	P	Ap	P	P	75
H Khorommbi	N/A	N/A	N/A	N/A	P	P	100
B Ngonyama	P	N/A	N/A	N/A	N/A	N/A	100
N Ntusi	P	P	P	Ap	P	Ap	67
BD Reddy	P	P	P	P	P	P	100
D Yach	P	P	P	P	P	P	100

KEY:

P = Present
Ap = Apology
Ab = Absent
N/A = Not a member

Table 6: Special Council Executive Committee meetings 2023

2023	25 August	26 September	7 October	% Attendance
N Arendse	P	P	P	100
S Barsel	P	P	P	100
M Campbell	Ap	P	P	67
R Isaacs	Ap	P	Ap	33
H Khorommbi	Ap	Ap	Ap	0
N Ntusi	Ap	P	P	67
BD Reddy	P	P	P	100
D Yach	P	P	P	100

KEY:

P = Present

Ap = Apology

Ab = Absent

N/A = Not a member

The Council Appointments Committee

The Council Appointments Committee considers nominations for certain vacancies in the Council in terms of paragraph 46 of the Statute and appoints five members of the Council. The committee met twice during the period under review.

The University Audit and Risk Committee

The University Audit and Risk Committee is a standing committee of Council and consists of external members of Council and independent members. The Audit and Risk Committee met on five occasions in 2023, with one occasion being a special meeting of the Committee. The University Audit and Risk Committee's responsibilities are to:

- Ensure that there is an effective process for assessing and managing risk;
- Assess the financial statements for reasonableness and accuracy, and for compliance with accounting policies and regulations laid down by the Minister under the Act;
- Review and approve the scope of the internal audit programme;
- Recommend the appointment and retention of the independent external auditors;
- Review the scope of the audit conducted by the independent external auditors; and
- Review the adequacy and effectiveness of internal control.

The University Finance Committee

The University Finance Committee (UFC) is a standing committee of Council and is chaired by an external member of Council. The committee consists of four members of Council (one of whom must be the Chair), the Vice-Chancellor, the Chief Operating Officer, the Chief Finance Officer, three members nominated by Senate

and two members nominated by the Students Representative Council. The UFC advises Council on financial strategy, makes recommendations on revenue and capital budgets, and monitors and reports quarterly on progress against these budgets. The committee met four times during 2023.

The Council Remuneration Committee

The Council Remuneration Committee (RemCom) is a standing committee of Council and consists of external Council members, the Chair and Deputy Chair of Council, the Chairs of the Human Resources and Finance Committees, an external expert member and the Vice-Chancellor (except for matters relating to the Vice-Chancellor). RemCom is responsible for:

- Advising the Council on remuneration policy;
- Setting mandates for consultation and negotiations on remuneration and conditions of service with staff bodies and trade unions;
- Evaluating the performance of the Vice-Chancellor and senior staff; and
- Determining the remuneration of the senior leadership group members in terms of the performance management system.

The Remuneration Committee reports to Council each year setting out the decisions taken. RemCom met six times during 2023

The University Student Affairs Committee

The University Student Affairs Committee (USAC) is a standing committee of Council established in terms of section 27 (3) of the Act. It includes one member of the Executive, two Council members, members of the academic staff (appointed by Senate), and student representatives. It is chaired by a Deputy Vice-Chancellor and advises the Council on student matters. Council requires the USAC to report on student concerns. USAC met three times in 2023.

The University Human Resources Committee

The University Human Resources Committee (UHRC) is a standing committee of Council that advises Council on HR policy and employment equity policy and plans and previously played a role in considering reports on outsourced providers' compliance with the code of conduct. It also provides information on staff issues and staff concerns. The committee met four times during 2023. An external Council member chairs the UHRC.

The University Information and Communication Technology Committee

The University Information and Communication Technology Services Committee (UICTC) is a standing joint committee of Senate and Council. It was established in recognition of the vital role of Information Communication Technology Services (ICTS) in teaching, research, administration, and communication. This committee is responsible for formulating strategy proposals for ICTS at UCT. It is chaired by the Chief Operating Officer, and it includes a member of Council, members of the academic staff appointed by Senate, the Executive Director: Finance, the Registrar, and SRC-appointed members. The UICTC met four times in 2023.

The University Building and Development Committee

The University Building and Development Committee (UB&DC) is a standing committee of Council and advises Council on development of the physical plant and oversees major capital projects. This committee includes nominees of the Cape Provincial Institute of Architects, and one of its functions is to advise on the development

of the University's campus-assembly of spaces and buildings. The committee is chaired by an external member of Council and held six meetings in 2023 (four ordinary meetings and two strategic planning workshops).

The Social, Ethics and Transformation Committee

The Social, Ethics and Transformation Committee was established to monitor and evaluate policies, programs, plans, practices, research, and education that might define or express the University's ethical values, ethics culture, and ethical decision-making practices. The Committee assists Council with oversight of the University's social responsiveness policies and programmes and broad-based economic empowerment and preferential procurement policies. The committee is chaired by an external member of Council and held four meetings in 2023.

Conclusion

The 2022 / 2023 period was a particularly challenging time for UCT. During this time the former Vice-Chancellor elected to take early retirement and the former Chair of Council resigned from Council. It was unfortunate that what would ordinarily be confidential Council matters found their way to the public domain. Nevertheless, the University continued to carry out its core business function of teaching, learning, and research, with related impact in terms of social responsiveness, and maintained excellent ratings across a number of international rating agencies.

The Council made huge efforts to continue to focus on its governance duties, and particularly so given the report of the independent panel of investigation. While the university's annual report for 2022 was not completed by the usual mid-year deadline, the Department of Higher Education, Science and Innovation agreed to grant UCT an extension in light of the work of the panel of investigation and the associated delay in the completion of the audit by UCT's external auditors. The latter concluded its work in accordance with its professional obligations and having noted Council's resolve to implement remedial measures to address governance failures identified by the panel of investigation. Accordingly, the external auditor signed the consolidated financial statement of UCT for the year ended 31 December 2022 and expressed an unqualified audit opinion that the consolidated financial statement has been presented fairly, in all material respects, in accordance with International Financial Reporting Standards (IFRS) and the requirements of the Higher Education Act of South Africa, 1997 (Act no. 101 of 1997). The signed annual financial statement and the annual report for 2022 were submitted to the Department of Higher Education, Science and Innovation on 4 December 2023.

A sincere thank you to all of UCT's stakeholders and to the wider university community. With your on-going support UCT will continue to be a relevant and resilient institution that inspires confidence in those who work and study here, as well as the very many supporters across the world.

This will be the last annual report of the current UCT Council whose term will end on 30 June 2024. The outgoing Council wishes the new Council that will start its term on 1 July 2024 every success.



Adv Norman Arendse

Chair: Council

22 June 2024

REPORT ON UCT OPERATIONS DURING 2023

The report on UCT operations consists of four sections. Section 1 deals with a reflection on executive objectives for 2023, as derived from UCT's Vision 2030. Section 2 deals with a quantitative analysis of our student body in relation to our targets, enrolment plan and our academic staffing capacity. This analysis also covers overall student enrolment and demographic profiles, student academic performance and student housing provision. All universities receive several earmarked grants for specific purposes from the Department of Higher Education and Training, and Section 3 provides an update on the progress in utilising these grants. Section 4 deals with the reports of Senate to Council in 2023, consisting of the Research Report, Teaching and Learning Report, and Social Responsiveness Report which served at Council during 2022.

Report on 2023 Executive Objectives

Introduction

The Council of UCT at its meeting of December 2020 affirmed the future strategic planning framework for the university as presented in the document entitled: **Vision 2030: Unleash human potential to create a fair and just society**. The four goals of Vision 2030 are:

- An organisational ethos that supports new ways of thinking, being and doing
- Providing thought leadership on social justice
- Offering a holistic, innovative, future oriented education
- Research solving Afrika's problems

In June 2021 Council approved the Vision 2030 Implementation Plan that set out focus areas and high-level objectives for the period 2021-2025, described in three broad areas, namely the Teaching and Learning Portfolio (mainly related to the goal of Offering a holistic, innovative, future-oriented education), the Research Portfolio (mainly covering the goal of Research solving Afrika's problems), and Operations in support of the Academic Project Portfolio (mainly Achieving an organisational ethos that supports new ways of thinking, being and doing, and Providing thought leadership on social justice).

Key Performance Indicators

UCT Vision 2030: Executive Objectives

In relation to Vision 2030, and the goals that expand on it, the following issues are important to emphasise. Firstly, while transformation is central to realising Vision 2030, there is no single strategic goal focused exclusively on transformation. The reason for this is that the approach that we have adopted is that transformation is a fundamental cross-cutting strategy across all core and support functions of the university; thus while elements of transformation are explicit in relation to Goal 2 – Providing thought leadership on social justice, examples of areas where transformation activities happen across the goals include the addition of a key performance area for all members of the Leadership Lekgotla for Employment Equity Targets (under Goal 1) and the reduction in course level performance gaps between African and White students in each faculty (under Goal 3). Secondly, Vision 2030 is based on integration and collaboration across executive portfolios. This can only be achieved if members of the executive work across individual portfolio silos, allowing the opportunity for innovation and creativity in tackling issues. Thirdly, the implementation plan is based on the convergence of sequential projects that are initiated from the executive level in combination with the impact of energy-generating initiatives developed in the faculties and departments.

The following list of objectives within the goals of Vision 2030 refers only to the projects directly under executive oversight that were the focus for the 2023 calendar year and was derived from the focus areas and high-level objectives for the period 2021-2025.

It must be noted that the objectives and key performance indicators in the Vision 2030 Implementation plan are ambitious and, by definition, aspirational. It must also be noted that in the post-Covid period, the institutional capacity and resources to effectively implement at the required pace are stretched. The update that follows provides a reflection of progress made during the period in relation to the multi-year objectives and key performance indicators.

For the 2023 Executive Objectives related to an organisational ethos that supports new ways of thinking, being and doing and providing thought leadership on social justice goals were as follows:

- Leadership Lekgotla with Employment Equity targets as a new key performance area
- Approval (Completion of suite) of appropriate dashboards and reports monitoring Staff Health and Wellness, Institutional Culture, Institutional loyalty
- Agreed principles for the Naming of Buildings Committee and the Works of Art Committee and University Building and Development Committee
- Reviewed ICTS governance and systems landscape
- Approved Property Portfolio Infrastructure Framework and Implementation Plan

For the 2023 Executive Objectives related to offering a holistic, innovative, future oriented education goal were as follows:

- Establish formal partnerships with key institutions towards advancing social justice
- A clear theoretical framework for transformation built on scholarship
- Identify key institutions with explicit goals towards advancing social justice

For the 2023 Executive Objectives related offering a holistic, innovative, future oriented education were as follows:

- Develop a quality assurance mechanism at a system level, including Departmental Reviews
- Size and Shape 2035 approved by Senate
- Approved Short Learning Programme Policy Framework and Benchmarking exercise
- Approved UCT structure to offer Short Learning Programmes
- Increased GOB income from Short Learning Programmes
- Amathuba-based analytics in place. Note: Amathuba is the localisation name given to UCT's implementation of the Brightspace Learning Management System
- Completion of a suite of appropriate dashboards and reports supporting student success
- Reduction in course level performance gaps between African and White students in each faculty
- Reduction in the number of courses with a <75% pass rate
- Establishment of appropriate out-of-class engagements for both day students and for residence life

For the 2023 Executive Objectives related to research solving Afrika's problems goal were as follows:

- Identify UCT-focussed Afrika's grand challenges with respect to the Sustainable Development Goals (SDGs)
- Develop a mechanism to monitor thesis and dissertation submissions in relation to the SDGs
- Establish interactive inter- and trans-disciplinary research hubs
- Implementation of DORA (San Francisco Declaration of Research Assessment) principles in showcasing research

Performance Against the Executive Objectives for 2023

The Executive Objectives for 2023, linked to Vision 2030, are as follows:

In relation to:

An organisational ethos that supports new ways of thinking, being and doing and providing thought leadership on social justice

Leadership Lekgotla with Employment Equity Targets as a new Key Performance Area

Information is communicated to the Executive at the commencement of the performance cycle, effective from June to May. This information has been communicated over the last two performance cycles, 2022/2023 and 2023/2024 in preparation for performance contracting.

Key Performance Areas (KPAs) for members of the senior leadership must link to those of the line manager, and the four Institutional Goals. Each person must have clear employment equity and transformation KPAs, objectives, and measurable deliverables against Inclusivity Strategy initiatives. Objectives and measures must reflect sufficient depth, detail, and nuance so as to allow for clear evaluation. Objectives should be stated as goals or outcomes (rather than actions) with clear performance measures that are SMART and detailed in terms of quality, quantity, cost and time. These should be three- to five-year strategic objectives, cascaded down into annual way markers and measures.

Performance management is a line management function, and hence the line manager (VC) ensures this happens but is also supported by HR Client Services playing an advisory and quality check role. The university Remuneration Committee also reviews the Executive performance contracts.

Approval for Appropriate Dashboards and Reports Monitoring Staff Health Wellness, Institutional Culture, Institutional Loyalty

The portfolio holder for institutional climate and culture is the DVC: Transformation. Human Resources play a support role to drive key change strategies related to institutional culture and institutional loyalty. Human Resource strategies include a focus on developing staff policies and programmes that support Staff Wellbeing, guidance against bullying, and the promotion of staff recruitment, advancement and development in line with the work being undertaken under the auspices of the Integrated Talent Management Framework. The policy addressing bullying was finalised in 2021 and information sessions continue across the university. Work on the Mental Health policy and the policy on internal mobility for professional, administrative and support services staff are under discussion.

The Human Resources team continues to play a contributing role in the various forums that support staff wellbeing, institutional culture and institutional loyalty in partnership with the Office for inclusivity and Change (OIC).

Dashboard information is shared at the Organisational Health forum/Staff Wellbeing forum quarterly.

Agreed principles for the Naming of Buildings Committee (NOBC) and the Works of Art Committee (WOAC) and the University Building and Development Committee (UBDC)

Principles have been established in the WOAC Terms of Reference were to:

- build a collection of works of art in line with the University's vision and mission;
- promote the display of the collection through engaged curation;
- ensure that the collection is safeguarded; and
- contribute to an inclusive heritage expression for the University and to do so in terms of its collections policy and with due attention to the University's Heritage and Collections' Stewardship Policy.

Principles of the Naming of Building Committee: policy was approved by Council in 2023. This policy on naming provides the overarching objectives and principles that guide decision-making around naming decisions at UCT. The Naming Committee is tasked with recognising contributions to the University and promoting the University's vision, mission and transformation through the naming of buildings, rooms, virtual spaces and other facilities. The committee shall operate transparently and in a manner that embraces diversity, considers historical context, and upholds African identity in the naming process.

The NOBC objectives are to:

- Identify appropriate names for spaces and objects. Spaces include physical and virtual spaces. Physical spaces refer to buildings, galleries, theatres, rooms, gardens, open spaces, walkways, roads, equipment, benches, sports facilities and other physical structures. Virtual spaces refer to online learning and collaboration platforms utilised by the university. They include virtual academic and research endeavours.
- Determine the principles that guide the two distinctive naming procedures at UCT, that is, Honorific naming and Donor-requested naming. Honorific naming is naming in honour of an individual, event, space, object. It is not supported by a gift at the naming level. Donor-requested naming is if a donor or group of donors provide a significant gift or donation to the university in exchange for the naming rights of a given space.
- Ensure alignment with related policies such as the Integrated Development Framework Policy, the Fundraising and Stewardship Policy.
- Establish and maintain a register of the names given to all spaces.
- Ensure that all the reasons behind the names recommended by the UNC are explicit and accessible to university stakeholders and the public at large.

- Ensure the development of appropriate procedures and guidelines that will assist in the implementation of this naming policy.

Reviewed Information and Communication Technology Services (ICTS) Governance and Systems Landscape

A review of the ICT governance landscape recommendation one in terms of enhancement: the establishment of an ICT Strategy & Portfolio Committee whose terms of reference have been approved by the University ICT Committee. This committee is charged with overseeing the execution of the ICT Strategy and will play a pivotal role in ensuring its alignment with the institution's strategic objectives by evaluating, prioritising and endorsing a portfolio of projects to the University's Resource Allocation and Advisory Group (RAAG). The Terms of Reference of the new committee were approved at the 30 October meeting of the UCICT (University Information and Communications Technology Committee). ICTS has completed its UCT Strategic Plan and has done extensive work on the first phases of Enterprise Architecture and the Governance Landscape.

Approved Property Portfolio Infrastructure Framework and Implementation Plan

The Integrated Development Framework (IDF) and Conservation Management Framework (CMF) (in process)

The IDF guides the physical growth of the university campus in alignment with Vision 2030. It involves a town-planning process to resolve zoning issues and align policies across the campus. The goal is to create a special planning zone approved by the City of Cape Town, applying specific conditions to university development. The IDF is issued with the Conservation Management Framework (CMF), which identifies and protects the university's heritage resources, subject to approval by Heritage Western Cape. The IDF provides predictability for development rights and streamlines approvals for building projects. It is a crucial part of the university's planning strategy, supporting academic goals and enhancing the student experience. Progress on the IDF is monitored by the University Building and Development Committee (UB&DC) through the Physical Planning and Landscape Committee (PPLC).

The most recent update is as follows:

- On 2023-06-21, the UCT Conservation Management Framework and Integrated Development Framework were fully endorsed by Heritage Western Cape's (HWC's) Impact Assessment Committee.
- On 2023-07-18, consultants updated the Heritage Agreement after meeting with HWC's Legal Advisor. In August 2023, tasks from the agreement between UCT and HWC were prepared.
- The proposed Agreement between UCT and HWC, under Section 42 of the National Heritage Resources Act, outlines actions for both parties and implies actions for the Cape Town City Council. Once signed, it will implement the intentions of the Conservation Framework to ensure confidence in development approval processes.
- On 2023-08-17, the UCT Heritage Inventory was approved by HWC's Inventories, Grading, and Interpretation Committee. The statutory steps for the proclamation of the Provincial Heritage Sites will now proceed.
- The land use application for the IDF, including subdivisions and consolidations, is with the City's Case Officer for drafting a report to be tabled at the Municipal Planning Tribunal for approval in the coming months. Final approval is anticipated in 2024.

- A belated objection from the City's Transport Planning Department regarding the proposed M3 road reserve's alignment is currently under review.
- UCT aims to grow to approximately 32,000 students by 2030, requiring 41,500m² of new academic space. At least 10,600 students are intended to be housed in residence on campus, requiring approximately 4,000 more beds.

The Urban Design Frameworks (UDFs)

The urban design frameworks are a direct result of the proposed Agreement between UCT and HWC, as outlined in Section 42 of the National Heritage Resources Act, aiming to create Precinct Plans (PP) for each campus. UCT is currently in the process of developing Urban Design Frameworks for the Faculty of Health Sciences Campus, the Middle and Lower Campuses, and is preparing to update the Upper Campus's framework. Hiddingh Campus and the GSB already have precinct plans in place that will be reviewed in line with the IDF review process currently underway.

These frameworks will serve as a precursor to the Precinct Plans, offering a three-dimensional guideline for the physical development and design of the campuses. They will focus on key elements such as land use, transportation, public spaces, and architecture to establish a unified and sustainable environment. In contrast, the precinct plans will concentrate on specific areas or precincts within the larger urban context, providing detailed plans for their development and management. The work done to date on each of the UDFs is as follows:

Upper Campus UDF

The UCT Campus Planning and Design Directorate is preparing to invite expressions of interest from qualified and experienced urban designers for a comprehensive review and update of the Rondebosch Upper Campus Urban Design Framework and the formulation of Urban Design Codes for the entire UCT upper campus. This work will inform both current and future projects within the upper campus, with the appointed consultant collaborating with a team of specialists to develop a comprehensive UDF plan and written report.

The UCT Upper Campus Urban Design Framework brief will be guided by a Strategic Vision for the Upper Campus, informed by the Integrated Development Framework and the Size and Shape Study, aligned with UCT's Vision 2030. The strategic vision should provide a forward-looking impression of the university in 20 to 30 years' time.

Middle Lower Campus UDF

The Middle and Lower Campus Urban Design Framework, nearing completion, proposes a conceptual design tool to guide and manage future intensification, interventions, and growth. It considers not only the campus structures but also the spatial experience, connectedness, and movement within the space, aiming to establish a strong spatial structure that can evolve while honouring a contemporary narrative.

The framework has an integrated approach to improve the physical environment, set an overall planning, and design context for more detailed and localised strategies, studies, and projects. It aims to support resilient future growth and enhance the social and spatial contributions for users and the environment.

Faculty of Health Sciences UDF

The purpose of the Faculty of Health Sciences (FHS) strategic plan, in relation to UCT's Vision 2030, is to ensure the FHS continues to play a significant role in the future, considering changes in the external environment. It sets a future planning roadmap guided by a vision and values for the entire campus and parts of the Groote Schuur Hospital facilities.

Urban Design consultants, supported by a team of professionals, are engaging the FHS community through participatory planning and co-design workshops. The consultants are currently crafting the draft framework for presentation and discussion at the final charrette.

A Clear Theoretical Framework for Transformation Built on Scholarship

Special Edition –Generative research from the scholarship of academics. (Language from special edition call) (Gather)

The DVC vision for transformation is framed by a humanising praxis that centres the provocation ‘being human is not a given’ and therefore seeks to explore humanising ways of doing and being. The special issue invites authors from public universities in South Africa to engage transformation with a provocative idea around the idea of the human, to inspire a dynamic exchange and robust contestation of ideas for a special issue for the Transformation in Higher Education Journal. The focus for the special issue is **‘Transformation: A Humanizing Praxis’**. It is acknowledged from the onset that although the term ‘transformation’ is used regularly and widely, it is illustrative of its contested nature that there exists no consensus on what it means. For the purpose of generating scholarship on/for/of transformation in higher education and society, we depart from a short-hand vision of **‘transformation’** as constituting **‘a humanizing praxis.’**

In addition to the provocation around ‘Being human is *not* a given’ these set of questions are intended to assist contributors to identify practices, processes or actions that may either advance or impede transformation, possibly in their own sphere of influence, and then interrogate these. Authors may wish to frame the scope of their contributions along any of the three levels in their institution:

- Macro Level: The Institution (Vision and Mission, Institutional Leadership, Institutional Culture/s)
- Meso Level: The Curriculum (Teaching and Learning), Student Support Services, The Student Representative Council, Student Associations/Societies etc)
- Micro Level: The Student, The Academic, The Professional Administrative/Services Staff

Along with the provocation, the contributors are invited to engage either set of questions (contemporary interpretation of Aristotle’s intellectual virtue phronesis OR practical theology questions), considering their own setting in higher education and from different methodological positions. Other provocations and sets of questions beyond what we offer are also welcome, to frame contributions on how we may imagine transformation as a humanizing praxis.

The proposal for the special issue and call for papers has been accepted by the journal and publication is envisioned for 2025.

Identify Key Institutions with Explicit Goals towards Advancing Social Justice and Establish Formal Partnerships with Key Institutions towards Advancing Social Justice

Identify key institutions with explicit goals towards advancing social justice

The following institutions were identified:

- South African Association of Senior Student Affairs Professionals (SAASSAP)
- Housing Officers-International (ACUHO-I)
- Anti-Racism Network South Africa
- National Prosecuting Authority

- South African Police Services

Establish formal partnerships with key institutions towards advancing social justice

Partnerships were established with the following:

- GIBS Business School
- Higher Education Disability forum
- National Community of Practice for Gender Based Violence
- USAF-National Transformation Strategic Group
- USAF- National Transformation Managers Group
- Gender Dynamix (UCT-MOA)
- HEDSA – as per contract
- SAHRC – Section 11 appointees towards a national curriculum for social justice
- Dr Jude Clark – Racial Trauma Peer Capacitation Network
- Social Justice Network – Capacitation of staff
- Rape Crisis – First Responder Capacitation
- Mosaic- Respondent Management support and development
- Men Let's Talk – NGO leading cultural discussions to assist with identity formation
- Transformation Managers Forum, and USAF Transformation Strategy Group
- Shared Value Africa Initiative – Business Coalition for GBV
- Center for Behaviour Analytics – Social Platforms for education to lead Behavioural Change
- South African Association of Senior Student Affairs Professionals (SAASSAP)
- National Association of Student Development Professionals (NASDEV)
- Higher Health
- University South Africa (USAf)
- South Africa Union of Students (SAUS)
- Association of College and University Housing Officers-International (ACUHO-I)
- Worldwide University Network (WUN)
- Southern African Association for Counselling & Development in Higher Education (SAACDHE)
- National Student Financial Aid Scheme (NSFAS)

In relation to:

Offer holistic, innovative, future oriented education

Develop a Quality Assurance Mechanism at a System Level, including Departmental Reviews

In 2018, the University suspended all academic departmental reviews, which were a crucial part of our institutional quality assurance framework alongside programme accreditation.

While the previous departmental reviews told us much about departments themselves, they required strengthening in developing a sense of an institutional level quality management system, and the information

therein was not used in tandem with programme and professional body accreditation information to provide a holistic understanding of where the University is excelling in quality, and where we can be strengthened.

The Senate Academic Planning and Development Committee discussed the revised framework on July 20, 2022, and November 9, 2022. Based on the committee's feedback, several enhancements were integrated into the framework and UCT commenced pilot reviews in 2023. These reviews aim to provide a holistic understanding of our institutional quality by correlating departmental performance with program accreditation and professional body standards.

Key Components of the Revised Framework are as follows:

- Interpretation of institutional strategy: The new framework explicitly requests departments to interpret UCT's institutional level strategies and policies in their context. This alignment helps in contextualising the departmental achievements within the broader institutional ambitions.
- The inclusion of comprehensive and relevant review criteria including:
 - Curriculum transformation
 - Reducing the racialised achievement gap
 - Digitally enabled education
 - Robustness of student and academic support structures
 - Staff Development
 - Integration of social responsiveness in the curriculum and research activities
 - Efficiency of administrative processes and resource management in supporting core academic functions
 - Adequacy of physical and technological infrastructure to support departmental functions.

The first departmental review under the revised framework took place in October 2023 with the next planned for March 2024. Two more have been scheduled for the second semester of 2024.

Size and Shape 2035 Approved by Senate

The report sets out a vision for UCT for 2030 to 2035 which: retains the undergraduate intake largely at current levels of around 4000 First time entering undergraduate students; enrol a contact student headcount of approximately 31500 with an increased number of distance programmes and enrolments; maintains the identity of a research-led institution and a UG:PG split of 60:40; maintains FTE student: FTE staff ratios to provide for quality teaching and learning engagement; improve cohort completion, as aligned to the 2022 Financial Sustainability Plan; increases international student enrolments, and positions UCT as the university of choice globally in topics relevant to the global south.

The report was endorsed by Senate in November 2023 and approved by Council in December 2023.

Approved Short Learning Programme Policy Framework and Benchmarking Exercise

In order to understand short course implementation at UCT and support the development of an updated short course policy, Internal Audit conducted a review of short course accreditation process in 2023. The objective of the review was to evaluate compliance with the current institutional policy (2016) and the Council on Higher Education (CHE) Good Practice Guide for the Quality Management of Short Courses Offered Outside of the Higher Education Qualifications Sub-Framework (2016).

The scope period of the review was for short courses established from 2017 to 2023, with specific focus limited to:

- Institutional Policy Frameworks (review alignment of UCT policy to CHE Good Practice)
- Short Course Proposal Approval, Endorsement, Accreditation and Registration
- Governance and Oversight - Quality Assurance, Management, Monitoring and Reporting, and
- Records Management

The findings of the review have enabled the development of a revised policy, which will be engaged at the Executive Committee in 2024, before proceeding for consultation and proceeding to Council.

The revised draft policy outlines the updated guidelines for the administration and delivery of continuing education at UCT. In summary, the draft policy sets as its objective, the enhancement and safeguarding the integrity of UCT's continuing education offerings, ensuring they are academically assessed, quality assured, and financially viable. The policy has been expanded beyond the current Senate version, to apply to all continuing education offerings associated with the UCT brand.

The draft policy includes approval and governance, management and administration, certification, details on roles and responsibilities, applicable higher education legislation and guidelines and once approved will replace the current policy, with it importantly reflecting updated practices and the inclusion of reference to micro-credentials as part of UCT's continuing education strategy aligned with Vision 2030 goals.

Approved UCT Structure to offer Short Learning Programmes

After deliberations with the Deans in 2023 it was resolved that UCT will not establish a separate business entity for running short courses, but instead that the current model of managing short courses within the faculties offering these, will remain. This decision reflects our belief that short courses are best managed within the context of each faculty's operations and business model, allowing for a more nuanced approach tailored to the specific needs of participants and these learning programmes.

However, in line with identified areas for improvement in governance of short courses, the University is in the process of establishing a Continuing Education Committee to provide oversight, development and monitoring of continuing education provisioning at UCT including the implementation of the revised institutional policy, and the establishing of an integrated quality management system that ensures that processes for meeting standards and requirements for teaching, learning, administration, record keeping are met; and that the sustainability of the University is enhanced.

Increased GOB Income from Short Learning Programmes

Based on the information provided – the full picture looks as follows:

	2022		2023		2022	2023
	Continuing Activities	Non-cont Act / Research	Continuing Activities	Non-cont Act / Research	TOTAL	TOTAL
Short Course Revenue						
Commerce	3 225 872	33 051 739	13 388 536	19 367 088	36 277 611	32 755 625
EBE	-	8 768 925	-	8 156 703	8 768 925	8 156 703
Law	-	4 911 706	-	2 870 842	4 911 706	2 870 842
Health Sciences	-	2 398 836	-	4 746 500	2 398 836	4 746 500
Science	-	99 600	-	299 452	99 600	299 452
Humanities	322 191	25 734 041	182 106	44 491 424	26 056 232	44 673 530
Finance	-	-	77 568	-	-	77 568
	3 548 063	74 964 847	13 648 210	79 932 009	78 512 910	93 580 219

This is definitely an area of growth, with an overall 16% increase in Revenue. The DVC Teaching and Learning is involved with the system development around Course Merchant, which is the front end to Amathuba, for short courses with upfront payments.

Not reflected here are the expenses, which are course related, and running the Continuing Education units – which possibly need to be included as Continuing Activities with the Income line.

With no overall policy on Short Courses (currently in draft for Exec discussion for later this month), there is inconsistent treatment of Short Course Income and Expenses, with some spend supporting Continuing Activities (cut from the budget) being reflected as Non-Continuing Activities in the management reporting.

Amathuba-based Analytics in Place

Please note that Amathuba is the localisation name given to UCT's implementation of the Brightspace Learning Management System.

Amathuba analytics were not implemented in 2023 as the analytics module for Amathuba, Performance+, did not receive funding support for the 2023 budget. This module is being implemented in 2024.

Completion of a Suite of Appropriate Dashboards and Reports Supporting Student Success

The Data Analytics for Student Success (DASS) programme provided Know Your Course and Students reports to course convenors at the start of each semester and continued with capacity-building activities to promote awareness and uptake of these reports. Work started on the development of further dashboards and reports for implementation in 2024, including a Dean's Dashboard, end-of-course report, and programme throughput indicators and reports.

Reduction in Course-level Performance Gaps between African and White Students in Each Faculty

Analysis awaiting HEMIS Submission 3 and will be completed in July 2024.

Reduction in the Number of Courses with a <75% Pass Rate

Analysis awaiting HEMIS Submission 3 and will be completed in July 2024.

Establishment of Appropriate Out-of-class Engagements for both Day Students and Residence Life

UCT faculties on their own, but also in partnership with industry professionals and alumni, offer a variety of outside-the-classroom activities aimed at enhancing student learning and development: academic workshops, professional and personal development workshops, and mentoring programmes. Topics may include confidence building, examination preparation, financial literacy, presentation skills, coaching, leadership development programmes, volunteerism and career development.

In relation to:

Research solving Afrika's problems

Identify UCT-focussed Afrika's grand challenges with respect to the Sustainable Development Goals (SDGs)

In 2022 UCT allocated funds to tackle some of the most pressing issues facing the continent and challenged our researchers to assemble multi-disciplinary teams to tackle these challenges. We awarded five Pilot grants with R500 000 for one year to initiate work on their ambitious ideas. We also awarded two Programme grants R8 000 000 over three years to execute robust projects with large scopes. The projects started in early 2023. The Pilot projects are complete while the Programme projects are in their second year.

Important Outputs from the Grand Challenges initiative

There are several material outputs from the first year of these awards. First, across all the projects 35 accredited research outputs were accumulated. Second, collectively the awardees submitted 18 grant funding applications, were awarded six and have four applications in planning and preparation. An additional element of these awards was to encourage new partnerships with external non-academic partners. To that end all awardees report progress toward establishing and building significant collaboration with new external non-academic partners. These partnerships enhance the teams' abilities to submit competitive funding applications to international funders, who often require applicants to partner with non-academic entities.

In one case a Pilot Project awardee, Prof Ameeta Jaga, leveraged her Grand Challenges project to apply successfully for a two-year, multi-million Rand project from the International Development Research Centre. Prof Jaga's work focuses on the additional workload mother's bear. Titled "Sharing the Motherload: Engaging fathers and other key stakeholders to transform gender policy and foster care economies," her Pilot project produced a photographic exhibition used to communicate research findings to different stakeholders such as media, policy makers, students, and civil society. The event was held three times for different audiences including the public, policy makers, and importantly the mothers and their families.

Prof Jaga is currently at the start of the IDRC funded project that arose from this work. As with the Grand Challenges Pilot Project, a key non-academic partner was the Western Cape government who have enthusiastically supported both the Grand Challenges project and the IDRC application and project.

PI and Co-PI(s)	Faculty	Project title	Grant type
David Ikumi Amber Abrams	EBE	Reorienting research, innovation & practice to address future water challenges in Africa	Programme
Virna Leaner Sharon Prince Stefan Barth	FHS	Centre for Developing Cancer Therapeutics for Africa (CDCTA): Developing innovative immunotherapeutics for cancers prevalent in African women	Programme
Ameeta Jaga Jane Battersby Fiona Ross	COM SCI HUM	Co-creating sustainable pathways for low-income mothers' quality of life	Pilot
Elona Toska Jane Kelly	HUM	Investing in our future: Developing a multi-dimensional service package to support return to school of pregnant and mothering learners	Pilot
Deon Bezuidenhout Niel Davies	FHS	Biomimetic hydrogels for myocardial infarction therapy	Pilot
Willem Stassen Judith McKenzie	FHS	The development of an approach to community-based, disability-inclusive disaster risk reduction systems	Pilot
Salome Maswime Bruce Biccard	FHS	The healthy cities research programme	Pilot

Progress and Updates

The Pilot Projects are now complete, with some continuing through having sourced external funding. The Programme Projects are in their second year. All awardees will present to a panel in June 2024 to communicate their outcomes (Pilot Projects) and progress (Programme Projects).

A process is underway to revisit the project applications and award the next round of six Pilot Projects for the period 2024 - 2025.

In addition, the Research Office through their International Grants Hub is increasingly seeking to match-make the research areas and projects of our researchers with funding streams. Specifically, the team has been seeking promising funding sources for approximately 15-20 Grand Challenge proposals viewed as strategic and fundable from the above call.

Develop a Mechanism to Monitor Thesis and Dissertation Submissions in Relation to the SDGs

The Postgraduate Support Hub was a key area of activity as part of the DVC R&I's Research Support Transformation project in 2023. As part of this process, the workflow of the postgraduate thesis from its registration on PeopleSoft through its submission and eventual publication on OpenUCT was mapped in detail. A proposal was formulated for an SDG field to be added to the thesis submission form so that detailed information can be collected at the time of examination and completion.

Establish Interactive Inter- and Trans-disciplinary Research Hubs

A pilot project to scope, plan and raise funds for the establishment of Centres of Competence from existing resources and infrastructure, and to implement phase one, namely: to formally establish the (i) Survey and Demographics Data Competence Centre (currently Data First) and ii) Life and Materials Science Data Competence Centre (currently the Electron Microscope Unit) was approved for the period 2019 to 2020. The proposed outcomes included a monitoring and evaluation framework that would track the efficiency and effectiveness of this strategic component of an overall systems-approach to research at UCT.

Progress on this pilot was stalled in the period of handover between the acting and new DVC's (May to August 2019), as Prof Harrison wished to review the model and it required some adjustments. As a result, the project was only fully actioned in 2020, with good progress despite the negative impact of COVID-19. The scoping of different models resulted in an extension of the centre of competence model (which is equipment driven) to 'methods hubs' whereby expert skills are built in how research data can be collected, accessed, used, preserved and which - as methods facilities - can position UCT optimally on the continent and globally. Working groups were established and through ongoing consultation with academics and other stakeholders such as the Libraries, the Research Office and ICTS, there is now convergence around three such central research 'methods hubs', or facilities. Through a range of data methodologies, each is aimed at strengthening research capacity and enabling interdisciplinary research. Core methodologies on creating digital repositories for humanities-based research, in statistical methods and in curation and analytical methods to social science and economics data are being built. A hub focused on building methodologies and training for interview-based research is still to be completed.

Further to this, the importance of interdisciplinary research in tackling grand challenges is well recognised and has been built through the building of core interdisciplinary institutes. To cement their success and enable growth of their capacity, three-year support of the African Centre for Cities, the African Climate and Development Initiative and the Survey and Demographics Data Competence Centre is now in place.

Furthermore, the previously mentioned Vision 2030 grand challenges programmes and pilot projects started in 2023 focus on UCT's strategic priority research areas and are built on an inter- and transdisciplinary research approach. The selected projects will thus work as the starting points for further inter- and transdisciplinary research hubs across the university.

Between 2022 and 2023 the various faculties have been invited to organise inter-faculty events to boost the communication between faculties and foster new collaborations across different disciplines. The format, the focus theme and the duration of the event were left to each faculty to decide. For example, in 2022 the eResearch office was invited to participate in the Interfaculty event organised by the Research Committee of the Science Faculty. On that occasion, the theme chosen was "Computational Methods for Applied Research"; the event has seen contributions from the Science Faculty, the Faculty of Humanities, the Faculty of Engineering & the Built Environment, and the Faculty of Health Sciences; and the e-Research office was invited to moderate the discussion. Other themes chosen by the other faculties were, e.g. "Multidisciplinary, Interdisciplinary and

Convergent Research in support of Research Vision 2030" or "Research of high local relevance: increasing UCT's footprint in South Africa" chosen by the Faculty of Commerce and EBE respectively for their 2022 events. More recently, in 2023, the Science Faculty organised another event focused on "Social Responsiveness and Engaged Scholarship.

Implementation of DORA Principles in Showcasing Research

The Research Data Management Governance Committee (RDMGC) set up and ran a DORA Working Group between 2018 and 2022, to identify good practice in reporting research outputs and their research impact for UCT and the principles underlying this approach. This set of principles has informed practice, particularly around the ad hominem promotions processes at UCT.

In taking the next step, in 2023 it was recognised that this working group had completed its activities, and its recommendations were forwarded for implementation to the newly established Research Impact Working Group. The recommendations include building DORA principles within, e.g. the Ad Hominem promotion processes in the faculties and more in general increasing the advocacy for and the recognition of research activities beyond "traditional" research outputs.

The Research Impact Working Group was created following a set of workshops (October 2022 and March 2023) set out to build the research impact framework for the assessment of research impact alongside research productivity at UCT. Following the framing of the needs and the formation of the working group the Research Office hosted a Research Symposium on 18 October 2023 with the focus on sustainable research impact: sharing practices and experiences.

Both early career and well-established researchers shared their experiences in this Research Symposium which had the following objectives:

- Assess what drives researchers into impactful research
- Share good practice in this and approaches that work
- Share challenges and ways to overcome these
- Build understanding of ways to enhance UCT's research impact and excellence in a transformative way
- Show-case UCT's research internally to inspire and enhance networking and further impact

Detailed work is now underway, championed by the Executive Director: Research, to build on the above objectives and, specifically, to build a research assessment framework. Together, the objectives and the framework strive to deliver the required advocacy to augment research impact, encourage centring of research impact alongside research productivity and enhance communication of our research achievements.

Performance Against Targets in the 2023 Annual Performance Plan

The data and numbers reported in this section are all based on an early HEMIS submission 3 extract. It is likely that there will be minor changes to HEMIS Sub 3 between the submission of this report to Council, and the final version of HEMIS Sub 3.

Student Numbers¹

UCT's planned headcount enrolment for 2023 was 29 884. This total included 300 occasional students, 17 968 undergraduates, 3 238 postgraduates below the master's level, 6085 master's students and 2 293 doctoral enrolments. The headcount enrolment was projected to translate into 21 977 full-time equivalent (FTE) enrolments. The actual headcount enrolment in 2023 was 29 031 students, including 466 occasional students,

¹ The targets derive from the 2023 – 2025 Mid-Term Enrolment Planning Tables as approved by DHET

17 400 undergraduate full degree students, 3 012 postgraduates below the master's level, 5 978 master's students and 2 175 doctoral enrolments. The actual 2023 headcount enrolment fell short of the 2023 headcount enrolment target of 29 884 by 853 students (or 2,9% of the target). The 2023 headcount enrolment translated into 20 243 FTE enrolments, which was 7,89% below the expected FTE enrolment. The lower-than-expected FTE enrolment arose as a result of the under-enrolment at the level of headcount, compounded by students taking a lighter course load than in prior years.

The variances within the various qualification types against 2023 targets are quite marked in some cases but are understandable given institutional concerns regarding a severe over-enrolment in 2023 as a result of the acceleration of senior postgraduate enrolment growth beyond expected levels, the impact of the decision to suspend academic exclusions at the end of 2020 (which gave rise to an expansion of the undergraduate enrolment in 2021). There were negative variances in student enrolments at the undergraduate level (17 400 compared to a target of 17 968), at the master's level (5 978 actual against a 6 085 target) and at the doctoral level (2 175 against a target of 2 293), the enrolment at the postgraduate below master's level was also lower than planned (3 012 against a target of 3 238). The 2023 occasional enrolment, which includes the Semester Study Abroad enrolment, slightly exceeded the target at 466 against a target of 300.

UCT's 2022 Mid-Term Enrolment Planning submission to Department of Higher Education and Training (DHET) reflects 205 distance students in 2023. The 2023 HEMIS submission reflects just 44 pure distance students, located in two Health Sciences programmes – a postgraduate diploma and a master's degree (the Postgraduate Diploma in Health Economics and MPhil in Chemicals Risk Management respectively).

The 2023 projected first-time entering UG enrolment target was 4 039, approximately 23% of the total projected undergraduates. UCT enrolled 4 170 first-time entering undergraduates in 2023 – a total that was 3,2% higher than the target enrolment. The over-enrolment at the FU level was despite an intentional strategy employed to counter-act the larger than expected retuning undergraduate enrolment anticipated in 2023 during to a COVID-19 related student bulge moving through the system as a result of the suspension of academic exclusions at the end of 2020.

The 2023 target enrolment was projected to be made up of 46% of the enrolment in Science, Engineering and Technology (SET), 21% in Business/Management, 3% in Education and 30% in the broad Humanities. The actual proportions for 2023 were as follows: 48% in SET, 21% in Business/Management, 2% in Education and 29% in the broad Humanities.

Demographic Statistics

The targeted racial profile of the 2023 South African enrolment was 49% African, 18% coloured, 8% Indian and 24% white. The actual demographic profile of the 2023 South African enrolment was as follows: 41% African, 16% coloured, 7% Indian, 21% white and 14% undisclosed. The continuing pattern of a high proportion of students with undisclosed race makes it difficult to assess performance in relation to our demographic targets. The demographic profile of the overall 2022 enrolment is shown below.

Table 7: Headcount Enrolments 2019-2023, showing percentage growth on base

	2019	2020	2021	2022	2023	% Change
SA African	7 356	7 915	8 787	8 259	10 414	41,6%
SA Coloured	3 589	3 738	3 753	3 514	4 149	15,6%
SA Indian	1 570	1 599	1 580	1 442	1 819	15,9%
SA White	5 644	5 353	4 899	4 222	5 261	-6,8%
International	4 620	4 068	3 658	3 702	3 526	-23,7%
Unknown	5 826	5 560	6 931	8 072	3 862	-33,7%
Total	28 605	28 233	29 608	29 211	29 031	1,5%

A disproportionate but desirable increase in SA African enrolments (41,6% against an overall increase of 1,5%) is apparent. Over the 2019 to 2023 period, SA White enrolments decreased by 6,8%, SA Indian enrolments increased by 15,9% and international enrolments decreased by 23,7%; the marked decline in international enrolments since 2019 was largely due to the substantial decrease in enrolments in the Semester Study Abroad (SSA) programme mentioned above but also reflected in decreased full degree student enrolments.

Comparative analysis of the relevant demographic data indicates that the unwillingness to declare race is an issue across all race groups. This is particularly evident at the undergraduate level, where “redress category” data from the applicant file is reasonably complete and can be used for comparative purposes. However, it is encouraging to see a very marked decline in students not declaring their SA race group between 2022 and 2023.

Table 8: Headcount Enrolments 2019 - 2023 by Race, showing percentage of total

	2019	2020	2021	2022	2023
SA African	7 356	7 915	8 787	8 259	10 414
% of total incl. International	25,7%	28,0%	29,7%	28,3%	35,9%
% of total excl. International	32,3%	32,8%	33,9%	34,2%	40,8%
SA Coloured	3 589	3 738	3 753	3 514	4 149
% of total incl. International	12,5%	13,2%	12,7%	12,0%	14,3%
% of total excl. International	15,8%	15,5%	14,5%	14,5%	16,3%
SA Indian	1 570	1 599	1 580	1 442	1 819
% of total incl. International	5,5%	5,7%	5,3%	4,9%	6,3%
% of total excl. International	6,9%	6,6%	6,1%	6,0%	7,1%
SA White	5 644	5 353	4 899	4 222	5 261
% of total incl. International	19,7%	19,0%	16,5%	14,5%	18,1%
% of total excl. International	24,8%	22,2%	18,9%	17,5%	20,6%
International	4 620	4 068	3 658	3 702	3 526
% of total incl. International	16,2%	14,4%	12,4%	12,7%	12,1%
Other/?	5 826	5 560	6 931	8 072	3 862
% of total incl. International	20,4%	19,7%	23,4%	27,6%	13,3%
% of total excl. International	25,6%	23,0%	26,7%	33,4%	15,1%
Total	28 605	28 233	29 608	29 211	29 031

This is the % of total, including international students

This is the % of total, excluding international students

Student Housing

The 2023 UCT bed capacity per tier of residence, and in relation to new and returning students, was 6 972. The table below shows that 6 822 students were accommodated in the on-campus residence system as of 11 June 2023, representing a 98% occupancy rate. It should be noted that only 2 074 new undergraduate students reflected as bookings, against a capacity of 2 250, due to the low take-up rate on the 4 500 housing offers made. 117 of these new undergraduate students were allocated to Second Tier accommodation. Student Housing and Residence Life allocated residence places to several first years on the housing waiting list and re-

allocated several first-time entering students who were initially placed in temporary accommodation. Included in the table are the totals for the 966 students who were placed in university leased off-campus accommodation.

Table 9: 2023 Residence Bookings and Available Spaces by Tier

Residence Tier	Student	Capacity	Bookings
First	New	2250	1957
	Returning	1759	1907
	Total	4009	3864
Second	New	2226	117
	Returning		2104
	Total	2226	2221
Third	New	737	510
	Returning		227
	Total	737	737
Total Campus Accommodation	New	6972	2584
	Returning		4238
	Total	6972	6822
Leased Accommodation	New	982	79
	Returning		887
	Total	982	966
Overall	New	7954	2663
	Returning		5155
	Total	7954	7788

Student Success Rates

Please note that specific objectives linked to the University Capacity Development Grant are discussed on pages 38 - 41 below.

UCT expected in the region of 7 858 graduates in 2023. This target included a projected 3 989 undergraduate completions, 2 192 completions below the master's level, 1 392 master's graduates and 285 doctoral graduates. To date, we have recorded 7 348 graduates in respect of 2023, made up of 3 715 undergraduate completions, 1 981 postgraduate completions below the master's level, 1 405 master's graduates and 247 doctoral completions. The slightly lower than target completion at the postgraduate below master's level mirrors the lower than target enrolment at this level.

Among the graduates to date, 43% were in SET, 23% were in business/management, 4% were in education and 29% were in the broad humanities. The 2023 graduate total included 762,3 research master's graduates in all disciplines (against a target of 765).

The expected 2023 graduate outputs in the scarce skills areas included 556 Engineering graduates, 251 Life and Physical Sciences graduates, 329 Human Health graduates and 160 Teacher Education graduates. Actual graduates in the scarce skills areas included 491 Engineering graduates, 193 graduates in the Life and Physical Sciences, 346 Human Health graduates and 144 Teacher Education graduates. Graduate targets were thus largely achieved, apart from in the Engineering area and Life and Physical Sciences areas.

The undergraduate (HEMIS levels 41, 42 and 43) course success rate in 2023 was 85% (against a target of 85%), while the overall course success rate was 79% against a target of 83%. The 2023 undergraduate course success rates among South African and international students are shown below:

Table 10: 2023 UG Course Success Rate Demographic Profile

SA African	SA Coloured	SA Indian	SA White	SA Undisclosed	International
81,5%	85,1%	88,8%	94,0%	77,0%	88,2%

The undergraduate course success rates in 2023 thus ranged between 81,5% (for SA African students) at the lower level and 94,0% for SA white students, at the upper end. The success rates at all levels were effectively identical to those reported in 2022.

Course success rates in the scarce skills areas were as follows: 85,8% in Engineering (against a target of 84%), 86,2% in the Life and Physical Sciences (against a target of 84%), 95% in Human Health (against a target of 96%) and 96,5% in Teacher Education (against a target of 96%).

Examination of the longitudinal performance of the 2018 first-time entering (FU) undergraduate bachelor's cohorts, excluding Health Sciences entrants, shows the following:

- 68% of the 2019 FU cohort (In comparison with 70% of the equivalent 2018 FU cohort) had completed an undergraduate qualification within five years of registering at UCT.
- 15% of the 2019 cohort (in comparison with 11% of the equivalent 2018 cohort) had been excluded from UCT on academic grounds during the five-year period of the analysis.
- The rate of dropout in good academic standing among the 2019 FU cohort had increased to 11%, in comparison with 9% among the 2018 cohort.
- 7% of the 2019 FU cohort were still busy with undergraduate studies at the end of 2023. This proportion had tended to fluctuate between 6% and 9% within recent FU cohorts.
- It must be noted that part of UCT's response to the COVID-19 situation and the resultant difficulties experienced by students during Emergency Remote Teaching was to suspend academic exclusions at the end of 2020; this gave rise to a much larger undergraduate retention pattern than usual in the 2020 to 2021 transition and has (as mentioned above) caused a spike in the 2021 undergraduate enrolment, which to a certain extent also impacted on the 2022 enrolment and subsequent completion rates.

Research Outputs

The table below includes the 2023 publication count, and the weighted research outputs generated by research master's and doctoral graduates. The publication unit figure reflects the submitted claimed publication count for submission to the DHET.

Table 11: 2023 Research Outputs

Output Category	Research Outputs for 2023
Publication Units	1666
Research Master's Graduates	762,3
Doctoral Graduates	247
Total Weighted Research Outputs	3169

Note: Publication Units are provisional, reflecting units submitted to the DHET. Research master's and doctoral graduates are also provisional, extracted from an early HEMIS Submission 3.

The 2023 ratio of weighted research outputs per permanent instruction/research staff member was thus approximately 2,69, against a target of 2,44.

Academic Staffing

UCT's 2023 HEMIS staffing submission shows that a total of 1 178 (against a target of 1 208) permanent instruction/research or academic staff were employed in the six faculties and in CHED. This is slightly lower than the 2022 total of 1 192. The 2023 academic staffing headcount translated into 1 596 instruction/research staff FTEs (against a target of 1 830).

The proportion of permanent, full-time academic staff qualified at the doctoral level in 2023 was 63% (64% in 2022). A further 28% of these academic staff held master's degrees. The Research sections of this report suggest that students across the University could expect to be taught by academic staff actively engaged in research in their particular disciplines.

Performance against key teaching and learning indicators is summarised in Table 12 below:

Table 12: Performance against key indicators

Key Performance Indicator	Actual Year n-1 (2022)	Target Year n (2023)	Actual Year n (2023)
<p>A. Access</p> <p><u>Headcount Totals</u></p> <p>An Enrolment Planning Task Team meets with each faculty in an information rich setting to discuss incoming targets for year n+1. In these meetings the faculties are required to provide information on the strategies that will be put in place to attain their proposed targets where big changes are proposed in comparison with their current actuals or where changes may be needed in line with institutional policy. Incoming enrolment targets are set in the context of meeting the targets of the Ministerially- approved enrolment and efficiency targets 2020-2025 for the University of Cape Town. The Faculty incoming targets are approved by the Admissions Committee, Senate sector and Council.</p>			

Over-offer targets are set at the UG level to ensure full enrolment. These are monitored throughout the admissions cycle. The targets for accredited distance education qualifications go through the same processes.

First-time entering undergraduates	4 075	4 039	4 170
Headcount enrolments	28 449	29 884	29 031
Headcount enrolments total UG	16 414	17 968	17 400
Headcount enrolments total PG	10 547	11 616	11 165

Enrolments by major field of study

SET	12 239	13 742	13 839
Business/management	6 737	6 344	6 010
Education	355	894	699
Other Humanities	9 118	8 904	8 483
Distance education enrolments	0	205	44

B. Success

Graduates UG (undergraduate certificate and diplomas and bachelor's degree qualifications)	3 271	3 989	3 715
Graduates PG (postgraduate diplomas, honours, masters and doctoral qualifications)	3 590	3 869	3 633
Overall FTE Success Rate	82%	83%	83%

Undergraduate output by scarce skills

Targets set tend to be very similar to the actual enrolments - in some cases the targets are even below the actuals and so we will continue with the same strategies that have been used historically i.e. the winter school, the bootcamps, the mentoring programmes etc.

Engineering	552	556	491
Life and Physical Sciences (CESM 13 and 14)	251	251	193
Human health	350	329	346

Teacher education (PGCE)	120	160	144
C. Efficiency			
<u>Instruction/Research professional staff</u>			
Although instruction research staffing is limited by the budget, UCT attempts to ensure that academic staffing growth in terms of headcounts and FTEs keeps up with growth in enrolments.			
Headcount of permanent instructional/research professional staff	1 208	1 208	1 178
FTE of permanent instructional/research professional staff	1 830	1 830	1 596
Ratio of FTE students to FTE instructional/research staff	11.8	12.0	12.7
D. Research Output			
<p>There is an increasing UCT awareness that significantly more attention must be paid to the postgraduate sector. A range of interventions in this regard include increasing student support (financial, skills development, and supervision), and enhancing efficiencies in administration (admissions, central funding, student housing, and faculty postgraduate administration). A range of seminars, workshops, retreats for postgraduate student development is offered annually under the auspices of the Office for Postgraduate Studies (OPGS). These include 'flagship events' such as retreats covering 'Starting the PhD Journey' (for 1st year PhD students), 'PhD Breakaway' (aimed at midstream PhD students), 'PhD – finishing up and moving on' (for final year PhD students) in addition to writing retreats aimed at facilitating written research articles based on Master's and PhD research dissertation work. There are also many departmental, faculty and student initiatives run and/or supported by the OPGS: over 60 sessions of varying length are on offer annually. These cover a range of topics such as 'Academic writing skills', 'Techniques for undertaking smart literature reviews', 'Sustaining your thesis argument (over your entire thesis)', 'How to read academic articles and organise your research notes', 'Postgraduate funding', etc. These events typically reach between 1000 and 15000 students in total annually.</p>			
Publication units per instruction/ research staff	1.31	1.31	1.41
Research master's graduates	613	613	762,3
Doctoral graduates	279	285	247

Report on Earmarked Grants

The following sections provide an overview of a number of earmarked grants provided by the Department of Higher Education and Training (DHET) to the University. Earmarked grants are funds that may only be used for specific purposes designated by the Minister of Higher Education and Training. The accountability for the use of these grants is through the submission of detailed narrative progress reports and external audited financial statements by the universities on an annual basis. The University enters into an agreement with the DHET about programmes and activities that will be funded, and the approved budget.

University Capacity Development Programme (UCDP)

The UCDP has three focus areas: student development, staff development and programme/curriculum development. The implementation of the UCDP is resourced through the University Capacity Development Grant (UCDG). The University Capacity Development Programme (UCDP) is a national strategic programme that was initiated in 2018 and is funded by the DHET. It is aimed at promoting equitable access and improved levels of success for undergraduate and postgraduate students, while strengthening research and leadership capacity within universities. It adopts a transformative approach and operates at the nexus of three non-competing imperatives viz. quality, equity and success that should be addressed by universities. The UCDP has three focus areas: student development, staff development and programme/curriculum development.

UCDP is made up of an institutional grant, the University Capacity Development Grant (UCDG) and Collaborative Grants. Detailed narrative progress reports and audited financial statements were submitted to the Department in May 2023. Funding by the DHET is released in tranches over the fiscal year for the UCDG (Jan to Dec) and at the beginning of the funding period in full for Collaborative UCDP Grants. UCT has not had any adverse audit findings since 2012 which bears testament to the financial controls in place to ensure that government funds are used for intended purposes.

University Capacity Development Grant (UCDG)

The UCDG is the institutional grant within the broader UCDP and is comprised of 14 projects that have been implemented in the university. These projects are focused on student, staff and curriculum development and are a mix of institutional and faculty-based initiatives. In 2023, the second cycle of funding draws to a close and a new application will be made for funding of the next (third) cycle (project expenditure can be found in Table 1 below). The cumulative amount funded by the UCDG in 2023 amounted to R13 071 779 (later reduced to R12 926 000) with the first tranche of R6.3m having been received in July 2023. By the end of December 2023, with projects preparing to wind up, the balance of funding had not yet been transferred to the university. The DHET, given its own delays, had agreed to extend grant expenditure to March 2024. We await the balance from the DHET.

A new application for funding for 2024-2026 was submitted to the DHET in December 2023. We await feedback and approval on the new plan from the DHET.

Table 13: 2023 UCT Institutional UCDG Project Budget and Expenditure at 27 March 2024

Focus Area	Project No.	Project Name	Faculty	2023 budget (reduced)	Spend & committed	Balance	% Spent
Student Development	1	Academic advising project	CHED	R1 794 760	R1 769 111	R25 649	99%
	2	Academic literacies project	CHED	R1 433 530	R1 421 565	R11 965	99%
	3	Inclusive digitally enabled education project	CHED	R2 083 641	R1 967 386	R116 255	94%
	4	Academic and psychosocial support in Mathematics	EBE	R1 769 440	R1 768 846	R594	100%
	5	Academic Resilience in Science - Science	Science	R306 650	R306 574	R76	100%
	6	theHUB Connection: Creating Socially Engaged Learning Pathways - HS	Health Sciences	R259 620	R259 620	R0	100%
Staff Development	7	FHS curriculum leadership project - HS	Health Sciences	R780 860	R780 860	R0	100%
	8	Enhancing Academics as Teachers and Leaders (EATL) - CHED	CHED	R331 750	R331 750	R0	100%
	9	Researcher development programmes - Research	Research	R2 335 075	R2 335 045	R30	100%
	10	Transformed programmes of assessment	CHED	R377 520	R377 520	R0	100%
Curriculum Development	11	Centring African Languages in Health Sciences	Health Sciences	R376 700	R275 919	R100 781	73%
	12	Humanities decolonised and pedagogically enriched Khanyisa Courses	Humanities	R114 000	R40 448	R73 552	35%
	13.1	Curriculum review project	OVC & CHED	R310 000	R310 000	R0	100%
Programme Management	14	Programme and M&E Management	CHED	R652 454	R652 453	R1	100%
			TOTAL	R12 926 000	R12 597 097	R328 903	97%

UCT was amongst a select number of universities to receive additional funding (R1.5m) from the DHET for additional capacity to manage and implement the Grant. We await the 2023 disbursement of funds.

Grant Management

The Programme Manager for the UCDP is located in CHED and is supported by the Programme Administrator and the CHED Finance Manager. The Programme Manager reports to the Dean of CHED. The Programme Manager works closely with the DVC Teaching and Learning, who is the institutional signatory for the Institutional Grant as well as the collaborative Grants. The Programme Manager works closely with project leaders and teams to ensure the smooth implementation of projects and prudent expenditure of allocated funds, while monitoring activities and related project outcomes. The Programme Manager also works closely with the CHED Finance Manager as the intermediary between Central Finance and grant holders.

The 2023 UCDG annual report will be submitted to the DHET in May 2024 and projects are currently preparing their final annual reports. Project teams have also been asked to prepare a close-out evaluation report detailing the extent to which anticipated outcomes have been achieved.

In reflecting on the activities within the UCDP in 2023, a need for additional financial administrative support was identified, as the demands of the UCDP are significant. While the UCDP is supported by the CHED Finance Office, its workload extends beyond the UCDP to all DHET and other internal, finance-related activities of CHED. An additional resource, dedicated to the UCDP and other DHET projects managed by CHED, would allow for improved turnaround times to project leaders and enhance monitoring of project expenditure.

In November 2023, the DHET conducted a site visit which ran smoothly and was focused on preparation for the next funding cycle commencing in 2024.

University Capacity Development Grant Collaborative Grants

The UCDP provides the opportunity for collaborative development activities to be undertaken across the higher education sector. The DHET commenced with the implementation of priority national projects aimed at building capacity of the university system in 2018. UCT is the lead institution in the five projects funded by the Collaborative Grants (refer to Table 2). Three of these have drawn to a close in 2023. One (Workplace Based Assessment: FHS) was funded and implemented at the beginning of 2023 and will continue until 2025. The University Staff Doctoral Programme in Engineering Education has applied for an extension of the project for a further three years. Several meetings were held with the DHET and the project will continue for the period requested. In November 2023 an application for funding for the Language Development Plan was submitted to the DHET for implementation in 2024 to 2026.

Table 14: UCDP Led Collaborative Grants 2023

Project	Remaining balance on 31 Dec 2023
University Staff Doctoral Programme (Engineering Education) 2018-2023	R3 582 003
University Staff Doctoral Programme (Climate Risk, Resilience, and Sustainable Development) 2018 -2023	R400
Diagnostic Mathematics Information for Student Retention and Success (DMISRS)	R290 133
New Academics Transition into Higher Education Programme (NATHEP)	R1 192 802
Workplace-Based Assessment: Faculty of Health Sciences (WBA - FHS)	R8 695 882

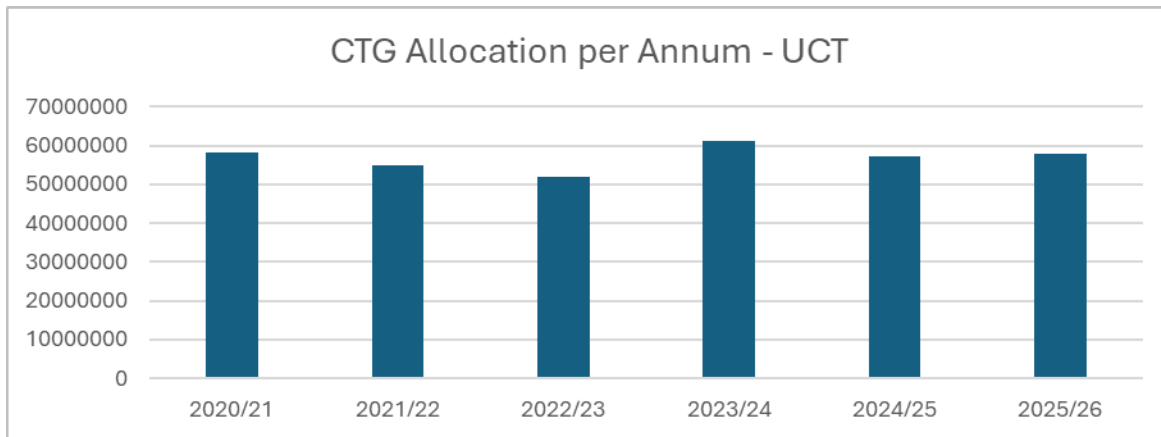
These amounts exclude interest accrued.

Clinical Training Grant

The Clinical Training Grant (CTG) was established in 2008 to support clinical training within the Bachelor of Medicine and Surgery (MBChB) program, addressing funding shortfalls from sources like the Department of Higher Education and Training’s Input Subsidy, the Health Professional Training Development Grant, and other streams. Over time, the CTG has evolved into a crucial earmarked grant for UCT, providing essential funding for top-tier training programs in the medical field. Its scope has expanded to cover various Health Sciences programs, solidifying its role as a key funding source.

Currently, the CTG contributes to funding for the MBChB, MMed programs, as well as Physiotherapy, Occupational Therapy, Speech-Language Pathology and Audiology programs. These funds are vital for sustaining different facets of clinical training, from personnel salaries to equipment procurement and operational costs, contributing to the excellence of these training programs.

In the 2023/24 grant period, UCT received a total CTG amount of R61.3 mil, marking an 18 % increase from the previous period. This increase seems significant, but given prior year reductions in funding, it effectively only represented a 5 % increase from the 2020/21 budget over a 3-year period, which still placed immense pressure on the CTG budget considering inflationary and salary increases. The subsequent 7 % reduction for the 2024/25 period has posed further considerable challenges. The fluctuation in the grant, as per the graph below, impacts planning and operational continuity, particularly concerning staff appointments under permanent conditions.



For the 2023/24 period, the grant was allocated as per the table below. The projected total expenditure for the period is R64 mil, with the shortfall of R2.8 mil to be covered by the carry forward of 2022/23 unspent funds (R105k) and interest earned on investment.

Table 15: 2023/4 CTG Grant Amount and Spend

Category	Grant Amount (R)	Total Spend (R)
Clinical Staff	47 399 673	49 761 824
Support Staff	11 428 940	12 018 520
Operating Costs	2 059 999	1 924 890
Equipment	381 388	401 780
TOTAL GRANT	61 270 000	64 107 014

National Student Financial Aid Scheme

The National Student Financial Aid Scheme is the largest funder of undergraduate student financial aid in the country and at UCT. From 2022, NSFAS has aligned its scheme to fund all students on N+1 rule on full funding, with an academic progression requirement to be applied for renewal of 2023 funding. From 2023, NSFAS changed the full fee free funding model to applying an accommodation cap, that resulted in a funding shortfall for those students whose accommodation exceeded the NSFAS accommodation cap of R50 000. The University was able to assist affected students to meet the funding shortfall from its own funding and from donations received.

Students in their final year of study that have reached the N+1 rule, can appeal for N+2 funding provided they are registered for less than 60 credits. The late release of NSFAS Funding policy, delay in appeals processing, and late processing of applications, has a negative impact on planning and advising students and applicants regarding NSFAS funding, policy changes, and the impact on students. The university does provide limited humanitarian support to affected students.

These NSFAS issues create the risk of student protests. As a result of numerous NSFAS changes over the last several years, the University remains deeply concerned about the impact on students (especially accommodation and food security, and travel to campus for those that live at home) and the sector generally, particularly on the financial sustainability of the higher education sector. Where possible, the university assisted students with a food parcel other humanitarian support.

As a result of the growth in NSFAS funded students, up to 40% of South African undergraduate students were receiving financial assistance for their studies in previous years. The figure is higher if corporate funding is included.

In 2023, 5 228 students received NSFAS DHET Bursaries, and 208 received NSFAS pre-funder support. UCT provided financial aid to 230 students and UCT GAP funding to a further 294. The financial support received from NSFAS amounted to R647.9 million for 2023.

UCT has over the years extended this criterion to cover GAP funded students. GAP funding (covering the so-called missing middle) is intended for students who (in accordance with NSFAS rules) are not eligible for NSFAS funding at all – because their family income is above the NSFAS threshold. UCT provides financial support to students whose household income is above R350 000 but not exceeding R600 000. Financial assistance is also offered to students whose household income is not more than R750 000 if there are two or more students from the same household undertaking undergraduate study at UCT.

Foundation Provision Grant

The Foundation Provision Grant complements the teaching output sub-block grant through which undergraduates receive funding. The primary purpose of this grant is to improve the academic performance of first-time entering undergraduate students. The main targets are students who already comply with the minimum requirements to enrol for a university qualification and who have already enrolled for that qualification but are at risk of failing or dropping out. Students are placed on Ministerially approved extended curriculum programmes. These programmes are one year longer than the regular qualification. In 2023, UCT offered six extended curriculum programmes in the faculties of Humanities, Science, Commerce and Engineering and the Built Environment, representing 15 degree programmes. As is the case every year, UCT made a substantial additional financial contribution to ensure the responsible delivery of its extended curriculum programmes. This signals the importance the institution holds to supporting students encountering academic challenges.

The DHET allocation to UCT was R14 679 million, with UCT complementing this allocation substantially. A total of 785 first-time entering students were enrolled in extended curriculum programmes in 2023, compared with the enrolment figure 628 reported in 2022. The Health Sciences Intervention Programme has been discontinued, and an alternative approach has been offered to support students in the faculty.

UCT continues to act as a dedicated provider of foundation provision in extended curriculum programmes, offering students carefully structured opportunities to study successfully at a higher education level.

New Generation of Academics Programme

The New Generation of Academics Programme (nGAP) is one of the Department of Higher Education's flagship programmes created in terms of Staffing South Africa's Universities Framework (SSAUF) aimed at improving academic staffing at universities. The Programme provides a systemic response to the challenges faced by the higher education sector. These include:

- inequality of representation amongst existing staff;
- an ageing academic staff cohort;
- unequal and/or unfavourable staff/student ratios;
- low throughput rates and expertise to be effective in a system with growing complex demands.

UCT operates a cohort system within which nGAP lecturers are given opportunities to relate to one another, to develop networks in order to create new communities and in this way contribute to energising a more equitable and harmonious institutional culture. UCT welcomed its first cohort of nGAP lecturers in 2016 and has since accepted new members across the university from each of the successive phases to date.

Our nGAP lecturers at UCT in Phases 1, 2 and 3 have not only successfully completed the programme, but they have also completed their PhD studies and earned an Ad Hom promotion giving them a well-deserved recognition in their departments and faculties. It has been reported in the previous years of successes shown in

completion of PhDs and promotions of lecturers on the nGAP at UCT. This trend continued in 2023 as three more members graduated with PhDs and two of those got through their Ad Hominem promotions to senior lecturer level. One of the two who got promoted was double capped for their PhD in which the first was PhD in Development Policy and Practice awarded by UCT in July 2023; and the second was PhD in Economics awarded by Paris 1 Sorbonne University towards the end of 2023. Lecturers on the nGAP not only achieve promotions while they are still on the programme, but they also ascend to positions of responsibility such as becoming programme conveners in their faculties. Another academic on the nGAP who was promoted to Associate Professor in 2022, received a National Research Foundation (NRF) Research Excellence Award for Early Career/Emerging Researchers in 2023. The nGAP office is currently preparing for recruitment of Phase 9 allocation. UCT applied for 4 posts during the Phase 9 closed call and all four were granted by the DHET.

In total, UCT has been awarded 40 nGAP positions to date. Below is the breakdown of posts and funding received per phase. For Phase 9 only the first tranche was only received.

Table 16: nGAP budget and posts over the nine phases

nGAP Phase	Budget received from the DHET	Number of posts awarded
Phase 1	R10 874 395	5
Phase 2	R9 330 932	4
Phase 3	R7 500 000	3
Phase 4	R12 500 000	5
Phase 5	R12 500 000	5
Phase 6	R12 955 550	5
Phase 7	R13 741 800	5
Phase 8	R10 886 816	4
Phase 9	R4 604 337	4
Total	R94 893 830	40

DHET Funded Infrastructure Projects

ICTS Wireless Densification Project

The purpose of the Infrastructure and Efficiency Grant (IEG) is to support the infrastructure growth in the higher education sector in terms of the enrolment planning processes, and equity in the quality of infrastructure at all universities. Funds are normally allocated to cover a cycle of up to three years. In 2012, the University established the Classroom Renewal Project (CRP) to upgrade 172 centrally-bookable classrooms at UCT over 5 years in line with new standards developed in consultation with the Classroom Facilities Advisory Subcommittee (CFASC) and the Project Implementation Committee. To meet the needs of teaching and learning, amongst other critical aspects, UCT determined that increased wireless coverage through densification across 109 teaching venues was required.

The CRP was concluded in September 2019 and the project closed off, with the project objectives met. The balance for wireless densification as currently reflected is the residual post the CRP project. This project received R2,4 million from DHET and an amount of R1 million remained unspent at the time the CRP was concluded. During January 2023, ICTS implemented a plan to utilize the remaining balance on Teaching and Learning venues to densify wireless coverage in areas as identified. The following T&L venues were identified, with densification currently in progress:

- Hiddingh Campus

- Chris Barnard
- Harry Oppenheimer

The 'Network Renewal Project'

The 'Network Renewal Project' commenced in March 2018. As with previous projects, it was a multi-year project extending into 2022 with a revised end date which was set for 31 Dec 2023. The project was partly funded by a Department of Higher Education and Training (DHET) grant of R78 million, with the balance of the funding coming from a combination of Council-approved project funding (R30 million) and ICTS's annual infrastructural life-cycle renewal funds (R60 million.) The DHET grant funding has been fully spent.

This project's key objectives were to refresh the network architecture and infrastructure to:

- mitigate risk by replacing end of end of life and/or support network infrastructure components,
- increase the speed of the University network to cater for significant growth in bandwidth demand from the UCT research community,
- improve the support, monitoring, security, flexibility, and resilience of the network infrastructure,
- facilitate the delivery of several advanced services that are likely to be required during the lifetime of the upgraded network,
- sustain the provision of ubiquitous wireless access to electronic information resources irrespective of location within the boundaries of the University campus.

DHET: ICTS Storage Project

In 2019, the storage project commenced to upgrade the University's storage infrastructure and capacity to meet the University's Research, Teaching and Learning, Administrative and Professional service requirements. The project is expected to be completed by December 2023.

The total project budget allocated to this project is R40,8 million. The project is funded by the University (R25,2 million and DHET R15,6 million. The DHET portion of the funding was only received by the project in 2023. The project incurred costs during 2020, 2021, 2022 and early 2023. The bulk of the expenses incurred relate to the current reporting period.

Work completed:

- Tier 0:
 - Pure storage – enterprise applications
- Tier 1:
 - FAS8300 - NetApp
- Tier 2:
 - SG6060 – Storage Grid
 - Storage grid PAYG licensing
- Tier 3:
 - Tape Library LT08 – archive & back-up
 - Point Storage Manager

Work in progress:

- Tier 3:
 - S3 Cloud Storage – off site deep archive

Work to be done:

- Tier 1: FAS8200 – NetApp high speed connectivity & capacity expansion
 - Storage as a Service - Model definition and implementation with show back/chargeback for consumption

The Chris Hani Building

Construction of a new teacher education building on the UCT middle campus achieved Practical Completion in April 2022. The building was funded by the Department of Higher Education and UCT. UCT's School of Education (SoE) has been awarded four Green Stars by the Green Building Council South Africa (GBCSA) due to its environmentally friendly design that will also provide users with a healthy and comfortable space to study, work and play.

The Chris Hani Lecture Theatre Building

The renowned Chris Hani Building (formerly New Science Lecture Theatre) was originally built in 1948. The University facilities and buildings are dated, and no alterations and improvements have taken place to keep pace with the increase in the number of students over the years. The upgrade allows for better integration within the University precinct and an improved and aesthetically pleasing environment, creating a more conducive learning environment. The building has been repurposed to provide students with a new contemporary learning space.

UCT School of Education

Construction of a new teacher education building on the UCT middle campus achieved Practical Completion in April 2022. The building was funded by the Department of Higher Education and UCT. UCT's School of Education (SoE) has been awarded four Green Stars by the Green Building Council South Africa (GBCSA) due to its environmentally friendly design that will also provide users with a healthy and comfortable space to study, work and play. Construction of a new teacher education building on the UCT middle campus achieved Practical Completion in April 2022. The building was funded by the Department of Higher Education and UCT. UCT's School of Education (SoE) has been awarded four Green Stars by the Green Building Council South Africa (GBCSA) due to its environmentally friendly design that will also provide users with a healthy and comfortable space to study, work and play. Expenditure in December 2023 amounted to R95 million with R55 million from DHET funding. This building has reached practical completion and is now operational, with minor items to be closed out.

Avenue Road Student Residence

UCT's new R222 million Avenue Road Residence in the Mowbray precinct will provide 500 additional student beds, an invaluable addition to the university's student accommodation provision. Avenue Road Residence is part of UCT's extended plan for the Mowbray precinct, which will boost student accommodation by 2 000 beds once completed. The first-tier residence represents phase one of a planned cluster of developments in this area, which will include a separate multi-residence dining hall for first-year students. As there are houses on the site

that are of heritage significance, UCT has obtained heritage approval to ensure the development does not detract from the existing buildings on the site.

The residence has achieved a four-star green rating from the Green Building Council South Africa (GBCSA) for its energy- and water-saving features - and includes a full suite of disability facilities. The development is being co-funded by the Department of Higher Education and Training with an additional R130 million from UCT. Additional care has been taken to provide accommodation that offers universal access to students with physical and other disabilities. This aspect was overseen by UCT Disability Service's manager Edwina Ghall and her team, who were delighted to have a "blank slate" at the start. The residence has 12 universal access rooms: six assisted-living bedrooms. These rooms are interleading, providing accommodation for live-in carers. Although three other UCT residences have been retrofitted to provide similar facilities (one each at Graça Machel Hall, Leo Marquard and Woolsack), this will be a first for a new residence.

The three-storey residence has 144 single rooms and 173 double rooms, and six of these will offer en-suite assisted living facilities for students with disabilities. Phase two will be developed on land currently occupied by UCT family "barracks" opposite Mostert's Mill, below the M3. This has been earmarked for the student dining hall. Phase three, a 300-bed residence, will be built on the Edwin Hart site. Practical Completion according to the JBCC building contract was achieved on 7th December 2021.

Water Sustainability Project

Given the severe drought that the Western Cape experienced in recent years, there is a critical need for UCT (a major water user catering for roughly 30,000 students) to establish a resilient and sustainable approach to deal with long term water scarcity and sustainability in a region that is likely to become more drought prone. In addition to the moral and environmental obligation, the cost of water and water services in the city is rising annually, and likely to treble within the next five years. Funding was requested to develop a sustainable water management strategy and implement systematic interventions to reduce municipal water consumption in student residences to allow for water saving and recycling through a range of 'fit for purpose' interventions. This will significantly reduce water demand and associated monetary and environmental costs. A water strategy plan was developed which detailed the pillars of the project and the related water saving initiatives required to achieve the desired 2030 vision. UCT has for many years been pioneering in its research the application of Water Sensitive Urban Design (WSUD) and has established the Future Water Institute to drive trans disciplinary, collaborative and impact-driven research and facilitate the uptake and use of research across policy, practice and industry. In response to this research and considering the recent drought affecting the City of Cape Town, UCT commissioned the development of a campus wide Water Sustainability Management Strategy. This Strategy is UCT's commitment to ensure Business Continuity and to achieve a state of water Net-Zero by no later than 2050. This Water Sustainability Strategy has been developed through a collaborative process with the aim of developing a new vision, understanding, appreciation, and relationship with water at UCT. The strategy's primary objectives are as follows:

- Reduce UCT's overall demand and dependence on municipal water supply and wastewater treatment;
- Maintain business/operational continuity during periods of unprecedented low rainfall and water restrictions;
- Reduce the overall spend on water (a scarce natural resource) through appropriate investments;
- Provide a diverse, resilient and sustainable combination of water resources;
- Mitigate UCT's overall impact of runoff on downstream water quality;
- Maximise Living Lab opportunities that this strategy presents, where students can learn and undertake research in relation to water projects happening on the campus facilities; and
- To grow teaching and research on sustainable water management, and related social responsiveness of UCT.

After the development of the strategy, a vast programme of projects across campus were initiated consisting of projects that reduce, reuse and augment water throughout the campus. These initiatives include (projects completed not included below but reported in the previous annual report).

UCT Dam Hydrological Assessment

The aim of the investigation is to better understand the existing use and operation of the dam with regard to its ability to supply irrigation water. This investigation includes an assessment of the condition of the stormwater inflow channel, estimation of the quantity of inflows, estimation of the water balance of the dam; estimation of the potential long-term yield under determined scenarios, as well as the opportunity to identify potential improvements in the running of the dam.

Exploration Drilling

The diversification of water supply is one of the key components of the UCT Sustainable Water Management Strategy (referred herein as the Strategy). The Strategy identified ground water as an alternative source that could supply non-potable water for irrigation, toilet flushing, swimming pool filling and other possible uses. Multiple boreholes were drilled at different points in the campus based on Geotechnical Studies and input from various consultants, all of which had varying yields. The intent is to equip high yield boreholes and integrate into the Green Precinct Project where it can be utilized.

Project Status: Ongoing. Project is near close out of works order with exception of ongoing monitoring component. Contractor is currently onsite doing a desktop study and monitoring existing boreholes. Desktop study presented in January 2024 (cost to equip proposed boreholes being investigated further) and monitoring will be continued until the end of 2024. A specific borehole near the Green precinct site will be equipped and integrated into the compound.

Smart Meters Project

The installation of smart water meters and valve chambers across various buildings at all UCT campuses in order to get a more accurate representation of water usage. Smart water meter chambers with a water meter and relevant isolation valves and strainer – 44. Smart water meter and PRV chamber with relevant isolation valves and strainer – 32. PRV chamber with relevant isolation valves – 21. Installation of water meter only, inside an existing chamber – 3.

Underground Services Detection

Sub-surface scan of services and identification of assets, connections, and directional flow where applicable. This project enabled the smart meter project by identifying the most ideal locations in which to place the smart meters in order to get the most relevant reflection of water data throughout the campus.

Replacement of Fixtures and Fittings

This project aims to reduce water usage in residences across the university by replacing existing fixtures such as showers, toilets, etc. with low flow/water saving fixtures.

Project Status: Final phase of the project took place in Dec23 - Jan 24. Snagging has been completed. Project is currently in close out and final account.

Green Precinct

The first construction phase of the project requires the installation of a WasteWater Treatment Plant, to treat wastewater from the Rosebank Residence Precinct (Kopano, Graça Machel, Baxter Hall, Leo Marquard and

Tugwell) as well as abstract borehole water, for non-potable use. The treated water is intended mostly for irrigation of sport fields and landscaping, and water for flushing toilets. The population density in the student residence precinct is ideally suited to efficiently collect high volumes of wastewater and supply treated water to nearby sports fields. Project Status: Design Phase - the project has passed stakeholder engagement phases and detailed design is being developed which will be presented to UCT committees for construction approval which is expected to be done before the end of 2023. This programme will continue into 2024 with construction expected to begin in June 2024 and the project will be completed by the early 2025.

Digital Water

This 'Digital Water' strategy will incorporate digital technologies across business and operations and use advanced analytics to help stakeholders make informed decisions to increase efficiency, reduce expenditure, and increase resilience.

Project Status: On hold. Project has proceeded into the design phase. Following the final budget of the Green precinct, the digital water project will be reevaluated and reactivated based on remaining project funds.

Other

Investigations into water saving opportunities in Baxter Theatre, School of Education, All Africa House as well as the appointment of various consultants to assist with the implementation of the project. Development of the Strategy document. Various enabling works.

The plan for the duration of the project is to continue with implementation of ongoing projects such as the Fixtures and Fittings Project and the Green Precinct Project which are big budget initiatives and are now moving forward well. There have been a few delays due to various unpredictable circumstances which are being actively managed. Planning has been put into place to mitigate these to the best effect. The project will continue to stick to the developed strategy and the pillars guiding toward the 2030 vision. The project is expected to be completed by the end of 2024 including processing of all final accounts and closing out of all projects.

UCT Apprenticeships, Learnerships and WIL Projects

University draft planning is currently underway and has been largely delayed due to the deferred and delayed confirmation of the Department's Draft Transformation Requirements. In relation to the Apprenticeships, Internships & WIL projects, plan concerns include the financial sustainability issues within the sector, comprehensive staff planning and synergising these efforts with the transformative requirements. This turn-key styled approach will ensure that appointments are compliant with Section 2J of the Draft Transformation Requirements and are sustainable of the required 3-year contractual period. Once finalised we pre-empt a seamless transition into fast-tracked implementation, which will be communicated accordingly.

Senate Reports to Council

There are three annual Senate Reports to Council, namely the Teaching and Learning Report, the Report on Research and the Social Responsiveness Report. The 2022 Research Report was approved by Council in June 2023, and the 2022 Teaching and Learning Report was approved by Council in December 2023. The 2022/2023 Social Responsiveness Report was approved by Council in March 2023.

The 2022 Report on Research to Senate and Council

2022 Research Report provides a record of the university's progress towards meeting the research goals of Vision 2030. The report comprises a number of sections as well as an introductory "UCT at a Glance" chapter.

The first chapter of the report, “UCT at a glance”, showcases the university’s important research indicators, including National Research Foundation (NRF) ratings; research contracts signed; research areas of strength including publications and graduates; intellectual property and innovations; and world university rankings. It provides an overview of the details reported in the rest of the report.

The theme of the 2022 Research Report is Collaboration – internal research collaboration across UCT’s faculties and departments, collaboration with research entities in South Africa and Africa, as well as international research collaboration.

Section 1 is titled ‘UCT Research Collaboration for Impact’ and looks at various ways in which UCT and its researchers are collaborating with other research institutes as well as with public and private partners across the globe. The five case studies included in this section each looks at research collaboration within UCT’s strategic research focus areas. The five strategic research focus areas that are highlighted through the case studies are Building a Healthy Africa; Resource Efficiency and Nature-based Solutions for Sustainable Development; Our Southern Location; Advancing Africa; and On Being Human.

The case studies are followed by a mapping of UCT’s research collaborations through co-publishing with local and international scholars and joint research projects with international institutions. It showcases collaborations with scholars from African institutions and other BRICS countries.

The section concludes by profiling UCT’s research contribution to the UN’s Strategic Development Goals (SDGs) and looks at programmes and research that contribute to enhancing socially responsive research at UCT and building strategic research partnerships that focus on global challenges such as disease, crime and violence, poverty and inequality and climate change.

Section 2 is titled ‘Fostering Research Excellence for Ongoing Impact’ and reports on the many ways in which various departments within UCT encourage and support research excellence. The sections starts with descriptions of researcher development initiatives, moving into research funding and grant management to research income and its intricacies.

The range of researcher development initiatives at UCT described in this section include support and mentorship for post-doctoral research fellows; establishment of junior research fellows as entry point academic staff positions; the Emerging Researcher Programme (ERP) which targets early-career academics to grow their research capacity; the Next Generation Professoriate Programme (NGAP) which aims to diversify the Professoriate by increasing the representation of black and female staff members in associate and full professor positions; establishment of the Researcher Development Academy that provides training for researchers at other universities in the country and on the African continent to enhance the development of their researchers; the Accelerated Transformation of the Academic Programme (ATAP) initiative which focuses on providing full scholarship/fellowship support to selected high-performing black South African postgraduates and postdoctoral researchers; the Black Academic Advancement Programme (BAAP) that supports academics with doctoral and post-doctoral sabbatical grants; the Future Professors Programme which offers a structured curriculum that includes intensive seminars and international placement aimed at accelerating the readiness of young academics for the professoriate; support for NRF rating applications; and finally, the Senior Research Scholars (SRS) programme which is a means by which UCT retains the services of highly successful and productive academics who are retiring.

To address the requirements of UCT and current global and local strategic areas, strategic research initiatives are established and financed, through a blend of Vice-Chancellor’s Strategic Funds and strategic research funds. Current projects described in this section include the Building Research Active Academic Staff (BAAS) strategic funding instrument which is designed to enable new academic staff to balance building their teaching and learning portfolio with their research portfolio by rapidly becoming active in masters supervision; the Enabling Grant Seeker Excellence (EGSE) funding instrument which seeks to encourage and enable researchers to diversify their grant funding to lessen their reliance on funding agencies alone; The Advancing Womxn Programme seeks to advance the cause of womxn and address gender inequality through research and

by female researchers; the Khusela Ikamva Sustainable Campus project, which focuses on campus sustainability; the Palestine Project which aims to strengthen collaborative partnerships between academics at UCT and research institutions in Palestine to build knowledge of relevance in both regions; the Digital Projects in the Humanities initiative aims to enhance the digital humanities and provide libraries with the opportunity to assess their support in terms of preservation of secondary digital products; the Openness in Animal Research Hub which showcases the potential benefits of animal research and the steps taken institutionally, to implement the highest ethical standards and monitor animal well-being.

The section includes an in depth look at the differing trends in research income and research contracts signed across faculties, from 2017 to 2022, representing the health of differing sectors. Further, the changing face of UCT's third stream research income is noted in the report, with an increasing dependence on international funding. Importantly, vulnerabilities associated with the geographical concentration of the funding sources, the limited number of significant funders and the small number of researchers securing a large proportion of UCT's research funding are noted in the report. The section concludes with an analysis of UCT's research productivity based on the 2021 publication count submission.

Section 3 reports on the year's activity to 'Optimise UCT's Research Ecosystem' to reach its full potential. This section acknowledges that to facilitate the increasingly complex nature of cross-disciplinary research with an emphasis on engaged scholarship and specialised, discipline-based inquiry, the provision of appropriate and supportive research infrastructure is paramount. It also recognises that despite the limitations imposed by finite resources, consistent attention to research systems and collaborative infrastructure ensures ongoing enhancements to research support and the identification of areas that require further attention. This section outlines the prevailing trends in establishing and renewing such infrastructure.

The section covers research support and infrastructure; research equipment and computing infrastructure; the invaluable support for research from UCT Libraries; the electronic Research Administration system (eRA); intellectual property and technology transfer; quality assurance, research assessment, ethics and compliance. The section includes reporting on quality reviews of URC-accredited research groupings; NRF evaluations and ratings; compliance and due diligence. Reflecting on internal communication wraps up this section.

Section 4 explores the various risks to the UCT research enterprise and describes mitigating plans for reducing potential impact of the risk to the research enterprise. The introduction of new policies, R&D budget cuts, intensifying competition among universities, changes in regulations and government funding models and a research enterprise growing in size and complexity are some examples of challenges the university is facing. The section discusses risks and mitigating plans related to research funding, research compliance, equipment and computing infrastructure; eResearch and research systems, as well as the challenge of researcher retention.

Section 5 is the final section and reports on the 'Research Support Transformation Project', and its significant progress in increasing the efficiency and effectiveness of the research support capabilities provided by UCT. The section describes the achievements of the project specifically in managing to address a number of the more systemic priority research support areas, which include Finance, HR, Governance, and Postgraduate and Post-doctoral fellows. Ongoing work of this project will include reviewing the current support structures to ensure they are fit for purpose, and that these are being re-modelled where required.

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To address the requirements of UCT and current global and local strategic areas, strategic research initiatives are established and financed, through a blend of Vice-Chancellor's Strategic Funds and strategic research funds. Current projects described in this section include the Building Research Active Academic Staff (BAAS) strategic funding instrument which is designed to enable new academic staff to balance building their teaching and learning portfolio with their research portfolio by rapidly becoming active in masters supervision; the Enabling Grant Seeker Excellence (EGSE) funding instrument which seeks to encourage and enable researchers to diversify their grant funding to lessen their reliance on funding agencies alone; The Advancing Womxn Programme seeks to advance the cause of womxn and address gender inequality through research and by female researchers; the Khusela Ikamva Sustainable Campus project, which focuses on campus sustainability; the Palestine Project which aims to strengthen collaborative partnerships between academics at UCT and research institutions in Palestine to build knowledge of relevance in both regions; the Digital Projects in the Humanities initiative aims to enhance the digital humanities and provide libraries with the opportunity to assess their support in terms of preservation of secondary digital products; the Openness in Animal Research Hub which showcases the potential benefits of animal research and the steps taken institutionally, to implement the highest ethical standards and monitor animal well-being.

The section includes an in depth look at the differing trends in research income and research contracts signed across faculties, from 2017 to 2022, representing the health of differing sectors. Further, the changing face of UCT's third stream research income is noted in the report, with an increasing dependence on international funding. Importantly, vulnerabilities associated with the geographical concentration of the funding sources, the limited number of significant funders and the small number of researchers securing a large proportion of UCT's

research funding are noted in the report. The section concludes with an analysis of UCT's research productivity based on the 2021 publication count submission.

Section 3 reports on the year's activity to 'Optimise UCT's Research Ecosystem' to reach its full potential. This section acknowledges that to facilitate the increasingly complex nature of cross-disciplinary research with an emphasis on engaged scholarship and specialised, discipline-based inquiry, the provision of appropriate and supportive research infrastructure is paramount. It also recognises that despite the limitations imposed by finite resources, consistent attention to research systems and collaborative infrastructure ensures ongoing enhancements to research support and the identification of areas that require further attention. This section outlines the prevailing trends in establishing and renewing such infrastructure.

The section covers research support and infrastructure; research equipment and computing infrastructure; the invaluable support for research from UCT Libraries; the electronic Research Administration system (eRA); intellectual property and technology transfer; quality assurance, research assessment, ethics and compliance. The section includes reporting on quality reviews of URC-accredited research groupings; NRF evaluations and ratings; compliance and due diligence. Reflecting on internal communication wraps up this section.

Section 4 explores the various risks to the UCT research enterprise and describes mitigating plans for reducing potential impact of the risk to the research enterprise. The introduction of new policies, R&D budget cuts, intensifying competition among universities, changes in regulations and government funding models and a research enterprise growing in size and complexity are some examples of challenges the university is facing. The section discusses risks and mitigating plans related to research funding, research compliance, equipment and computing infrastructure; eResearch and research systems, as well as the challenge of researcher retention.

Section 5 is the final section and reports on the 'Research Support Transformation Project', and its significant progress in increasing the efficiency and effectiveness of the research support capabilities provided by UCT. The section describes the achievements of the project specifically in managing to address a number of the more systemic priority research support areas, which include Finance, HR, Governance, and Postgraduate and Post-doctoral fellows. Ongoing work of this project will include reviewing the current support structures to ensure they are fit for purpose, and that these are being re-modelled where required.

Teaching and Learning Report 2022

The 2022 Teaching and Learning Report was prepared by the Senate Teaching and Learning Committee and reflects on undergraduate teaching and learning at UCT between March and December 2022. The report offers an account of the transition from remote and blended teaching and learning in the first semester of 2022 to a full return to contact teaching across all faculties in the second semester of 2022 for the first time since the deep disruptions of the Covid-19 pandemic in 2020 and 2021. The report considers the knock-on effects of disrupted learning during the pandemic years as well as the significant psychosocial impacts of the pandemic on student performance and success in the 2022 academic year.

The first chapter of the report provides an overview of the work and committees in the Teaching and Learning portfolio. The chapter includes a summary of the Council on Higher Education institutional Audit, which commenced with the development of a Self-Evaluation Report (approved in March 2022) and proceeded with the audit site visit in August 2022. The audit panel noted some areas for improvement which will be included in the final audit report and used as a basis for developing an improvement plan in 2023. This chapter also highlights key issues and topics that were considered by the Senate T&L Committee and Admissions Committee in 2022. Some of these topics included a draft for a new assessment policy and guidelines for its implementation; progress on the transition from UCT's current LMS, Vula, to a new platform, Amathuba; updates on NSFAS policy changes and its implications for student funding and financial well-being; and the impact of the Readmission Appeals process on student success. The chapter concludes with descriptions of

institutional curriculum change projects supported by DVC strategic funds, as well as individual and collaborative projects of the University Capacity Development Grant from DHET.

The second chapter provides teaching and learning reflections for each faculty, including a discussion of contextual issues, student success, digitally enabled education, curriculum change, new interventions, and notable achievements in 2022. It also includes key facts and figures for each faculty related to enrolments and graduations. In this chapter, faculties noted challenges with throughput and retention rates of students, particularly those in the early years of their programmes. Faculties also report on their ongoing efforts to strengthen student support, putting in place infrastructure for better teaching and learning support for all students with continued support from CHED and their various initiatives.

The third chapter provides an overview of all student support programmes and services that provide different forms of care and assistance for teaching and learning across the institution and faculties. Support programmes include for example the Siyaphumelela programme, which focuses on improving student success through the combined development of student academic advising and data analytics. Another support programme is the Phambili Programme for academic recovery which was a response to the increased number of students facing academic exclusion at the end of 2021. Other support services described in this chapter include UCT Cares, the writing centre and student wellness support.

The fourth chapter provides an overview of development and support services for academic staff. These include Heads of Department/Division Enhancement Programme (HoDep) which supports and provides capacity-building opportunities for middle-level leadership and management and offers an opportunity for heads of department to grow within a community of engaged and critical middle-level leadership in the institution. The Established and Seasoned Academic Practitioners' Programme (ESAPP) aims to enhance the teaching practices of academics who have worked in higher education for 5-15 years or more, with a strong focus on postgraduate teaching and supervision pedagogy. The New Academics' Practitioners' Programme (NAPP) provides a robust model of contextualised induction for new academics transitioning into higher education. Participants are exposed to teaching, learning, assessment, and curriculum activities to aid their transition. The Tutor Development Programme aims to equip tutors with the necessary pedagogical skills, knowledge, and resources to promote and facilitate integration in teaching and learning effectively.

The final chapter provides a more detailed narrative overview of the quantitative analysis of Teaching and Learning in 2022 across a range of variables, as compared with previous years, in terms of student and staff makeup, student success, and other indicators. Sources tables for this chapter are included in the Appendix to the report.

The 2021/2022 Social Responsiveness Report: Life of a Child

The 2021/2022 Social Responsiveness Report was titled 'Life of a Child' and focused on understanding how COVID-19 and subsequent lockdowns in 2020 and 2021 disrupted and affected the lives of children. The intention of the report was to shine a light on children by surfacing (research, teaching, and service) themes that were all encompassing and integrated many different threads from within the university, either directly or indirectly, thinking of the life and trajectory of a child.

Faculties and academic departments were invited to make submissions to the University Social Responsiveness Committee (USRC) in line with this focus. The report discusses five themes that emerged from research cases submitted by the faculties to the USRC. It is important to note that these themes emerged not from anecdotal evidence but rather from empirical data gathered using rigorous scientific methods.

Exacerbating Children's Learning Crisis

The first theme was 'Exacerbating children's learning crisis.' The report notes that one of the first measures taken to contain the spread of COVID-19 was the closure of schools and colleges, and how this affected millions

of learners worldwide. Even prior to this, however, children's learning was in crisis, and the pandemic only sharpened these inequities, hitting schoolchildren in poorer countries particularly hard.

In South Africa, it is estimated that around 750 000 children dropped out of school since the start of the pandemic, mostly in families already affected by poverty and economic hardship. Moreover, in many situations, despite remote learning policies and the presence of the necessary technology at home, children were unable to learn effectively due to skills gaps among their teachers or a lack of parental support. Additionally, the effectiveness of educational technology depends on the strength of national telecommunication networks and data connectivity.

Another consequence of the pandemic was the impact on children's learning loss and educational progress. The Report notes that according to the South African Basic Education Department, between March 2020 and June 2021, primary school learners lost about 70% of a full learning year. Globally, the literature on the impact of the pandemic on education highlights learning losses and decreased attainment scores because of school closures, widening of pre-existing education disparities and eliminating learning gains made over time.

Increasing Child Malnutrition and Poverty

The second theme was 'Increasing child malnutrition and poverty.' The report notes that the closure of schools did not only deprive learners of quality education, but it also deprived them of a nutritious meal which was provided through the National School Nutrition Programme (NSNP). In South Africa, about 9 million learners are fed through the NSNP at school every day. The NSNP programme aims at improving the ability of children to learn by combatting malnutrition, reducing hunger, and improving school attendance. Due to the COVID-19 pandemic which resulted in school closures, school feeding scheme programmes were brought to a halt. South Africa's NSNP was temporarily suspended during the country's initial hard lockdown, which brought into stark reality the importance of school nutrition programmes as a social safety net, protecting the well-being of the country's most vulnerable children.

The deepening crisis of child malnutrition prompted the editorial team of the UCT Child Gauge to engage proactively with the media throughout 2020 to put child hunger and malnutrition on the national agenda, with calls for the state to uphold children's rights in the context of rising unemployment, the disruption of routine health services and the closure of schools and ECD programmes. The Children's Institute (CI) was integral to the case for asserting that South Africa's Department of Basic Education (DBE) argument against the rights to basic nutrition was unconstitutional, i.e. that the DBE was solely responsible for realising the right to basic education (not basic nutrition).

According to the report, there is evidence that in 2020 close to 60% of children lived below the poverty line while one-third were below the food poverty line. Statistics also showed that households with children were more likely to experience hunger than those without. For young children, nutritional shocks can result in increased wasting and stunting. These are known to have long-term effects on the health and education outcomes of children and to compromise their immune systems.

Reducing Access to Life-saving Vaccines

The third theme was 'Reducing access to life-saving vaccines.' The report noted that every year, vaccines save an estimated 2 to 3 million lives, but COVID-19 threatened to roll back decades of progress made in reducing preventable child deaths by hindering access to these life-saving services. As access to health services and immunisation outreach were curtailed, the number of children not receiving even their very first vaccinations increased in all regions. According to the WHO, as compared with 2019, 3.5 million more children missed their first dose of diphtheria, tetanus and pertussis vaccine (DTP-1) while 3 million more children missed their first measles dose. With COVID-19 lockdowns putting enormous pressure on already weak or overstretched health systems, the number of unvaccinated and under vaccinated children is expected to increase, exacerbating existing inequities and putting the lives of many children at serious risk of disease or death.

The Report points out that downscaling or closure of regular child and maternal health preventive services and other related services could potentially compromise immunisation, antenatal and nutritional programmes, resulting in higher morbidity and mortality from other diseases such as tuberculosis (TB). Another point noted is that diversion of resources to adult services further compromised the ability to care for children. Health care workers were increasingly being seconded to adult care services and health budgets that were already inadequate for child health needs, were being shifted to managing the COVID-19 epidemic.

The report concludes this theme by noting that more research in South Africa is needed on the lack of health care for children which, in the case of vaccinations, may leave many children at risk from devastating but preventable diseases like measles, polio or meningitis.

Mounting Risks of Violence, Exploitation, and Abuse (Physical and Sexual)

The fourth theme 'Mounting risks of violence, exploitation, and abuse (physical and sexual),' reflects on the multiple ways that the pandemic potentially put children at increased risk of violence, exploitation and abuse. The report notes that for vulnerable children, the closure of schools meant that there was no opportunity for school staff to detect possible abuse and to intervene to try to protect them while they were away from school. UNESCO warns that in addition to the estimated 160 million children in child labour at the beginning of 2020, globally around 9 million children were at risk of being pushed into child labour by the end of 2022 as a result of the pandemic.

Experts estimate that the global total of COVID-19-related deaths could eventually reach 10 to 40 million, which will inevitably leave many children without one or both parents or other caregivers. Orphaned children are particularly vulnerable to trafficking and other exploitation, including sexual exploitation, forced begging, selling goods on the streets, and other forms of child labour. Older children often drop out of school to try to support younger siblings.

Mental Health Challenges amongst Children

The fifth and final theme 'Mental health challenges amongst children,' reflects on evidence that the pandemic and associated lockdowns could have a broader negative impact on children's health and wellbeing. The reasons for this include social isolation as a result of the lockdown as well as diminished physical activity.

Concerns around the impact of school closures on children's emotional and social well-being are explored in the report as it is clear that schools provide much more than formal learning: they represent spaces for structure, routine and predictability as well as the development of relational dynamics and socialisation.

The report concludes by noting that globally the pandemic may have caused immeasurable harm to children in multiple areas of their lives. For example, educationally, it may take children years to recover from the learning losses resulting from the pandemic – the point is again made that this concern is not based on anecdotal evidence but rather on empirical evidence gathered via rigorous research. An important benefit of collating a report of this nature is the fact that it makes more visible the struggles of children during COVID-19, particularly since children, who tend to suffer far less severe COVID-19 symptoms, are not the usual "face of COVID-19."



Professor Daya Reddy

Vice-Chancellor

22 June 2024

INSTITUTIONAL FORUM ANNUAL REPORT 2023

Overview of the Institutional Forum 2023:

Introduction

As outlined in the Higher Education Act, Act No.101.1997 S31 (ss 1) the Institutional Forum is mandated by the Higher Education Act of 1997 S31 (1) to advise Council on issues affecting the institution, including –

- a) The implementation of this Act and the national policy on higher education
- b) Race and gender equity policies;
- c) The selection of candidates for senior management positions;
- d) Codes of conduct; mediation and dispute procedures; and
- e) The fostering of an institutional culture which promotes tolerance and respect for fundamental human rights and creates an appropriate environment for teaching, research and learning; and
- f) Perform such functions as determined by the Council

The Institutional Forum is an active, critical committee that engages robustly on issues of transformation, inclusion, diversity and equity. The Institutional Forum (IF) is the only representative committee in the University – as it includes representation from all staff and student groups at UCT.

Composition

The structure of the Institutional Forum (IF) is comprised of the IF Executive Committee (IF EXCO) and the IF itself is comprised of 30 members that are representative of every constituency on campus. The membership of IF is aligned with the Higher Education Act.

IF EXCO

IF EXCO emerged from the 2016 Review of the Institutional Forum. The Review was conducted by members of Council, students and members of IF. The IF Review proposed that an IF Executive Committee be created and initially tasked with two elements.

The first task would be to review and sign off on the selection processes. The second task would be to ensure that IF EXCO identify key issues to be discussed by the IF, in addition to issues arising during the year. IF EXCO would then also be tasked with canvassing input from their constituencies prior to an IF meeting. The rationale behind this second task – was to encourage IF to become more active in current university wide debates and concerns as they pertain to transformation.

Composition of the IF EXCO

The IF Exco consists of the three Co-Chairs and two more representatives from each constituency which are: PASS and Academic Union; the Executive leadership group which consists of Council, Executive and Senate and lastly, the student representatives. In total there are nine members of IF EXCO.

The current membership of IF Exco is as follows:

1. Michael Harris (IF Co Chair: Pass Union)
2. Andrew Lilley (Academic Union)
3. Naziema Jappie (Non-Unionized Rep)
4. Elelwani Ramugondo (IF Co Chair: Executive)
5. Salome Maswime (Senate Rep)
6. Sheila Barsel (IF Co Chair – Executive)

Composition of the Institution Forum

The Institutional Forum is comprised of 30 IF members, alternatives and staff in attendance.

Table 17: Membership of the IF

1. COUNCIL – three members and one general alternate serving three-year term

Ms Nazeema Mohamed	Ms Sheila Barsel	Mr Jacques Rousseau
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EXECUTIVE – the VC appoints two executive officers and two Deans and decides terms of office

Vice-Chancellor	Prof Daya Reddy (ex officio)	Prof Elelwani Ramugondo
Prof Lionel Green-Thompson	Prof Shose Kessi	

SENATE – three members and one general alternate serving three-year term

Professor Salome Maswime	Dr Anandaroop Sen
Assoc Prof Nomusa Makhubu	

2. MEMBERS and alternate members elected by the recognised staff bodies in the manner determined by the rules – serving two-year term

Prof Waheeda Amien	Prof Andrew Lilley	Ms Shirifa Hellaby (Alt)
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NEHAWU

Mr Paul Gaika	Mr Xolani Poswa
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NUSAS

Ms Naziema Jappie	Mr Shai Makgoba (Alt)
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EMPLOYEES UNION

Mr Michael Harris	Ms Siphokazi Mngxunyeni
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DETAHWU

Mr Bulumko Nkume	Mr Athabile Nonxuba
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3. MEMBERS (10) and ALTERNATES (incl. Post Grad) elected by the SRC – serving one year

Jeffery Mokoena; Aurelio Mahlangu; Samukelo Mazibuko; Babokile Rakhale; Siphesande Mabangula; Ayabulela Nkwakwa; Mbalenhle Ntshangase; Ukhanyo Mdakane; Yondela Mathabatha; Sizwe Nhlapho

4. Invited IF Sub Committee Members

Ms Linda Gayiza

Staff in Attendance

Dr Sianne Alves (Director, OIC) (Servicing Officer for the IF)	Ms Edwina Ghall (Manager, OIC Disability Services)	Cecil Peters (OIC EE Manager)
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Quorum

In 2023, quorum of the IF was achieved in all 4 scheduled meetings and Special IF meetings.

Governance

Governance considerations by IF members this year focused primarily on the Mpati report; the departure of black senior staff from the university and the confidentiality breaches occurring in Council.

IF governance focused on its relationship to Council and related structures; its monitoring and evaluation role in relation to UCT Vision 2030 and related policies for which IF receives annual reports. A monitoring and evaluation workshop was held in 2023 to define IF's oversight role in the university. The recommendations following this workshop are intended to improve IF's functioning in the university.

Structure

The Institutional Forum oversees the work of the Transformation Forum and the Employment Equity Committee. These two groups focus on different aspects. The Transformation Forum focuses on inclusion and diversity whilst the Employment Equity committee focuses on barriers and advancement in relation to equity targets. The historic division of these groups was based on a review which found that equity discussions dominated meeting times which impacted severely on the actions for cultural change and inclusion. To date the Transformation Forum and the Employment Equity Committee are represented on the Institutional Forum where feedback is provided on the work conducted by these two groups.

The Transformation Forum approved the UCT Transformation Report 2022 as a representation of collective success and continued challenges in relation to the benchmarks. These challenges could be mitigated if there is a strategic alignment between faculty and department approaches to teaching, research and transformation objectives.

Employment Equity

The Employment Equity portfolio, together with relevant UCT partners has implemented strategies to transform the demographic profile of the university to be representative of South Africa's diversity. While on the surface, in terms of representation UCT's demographic breakdown is progressing well – there are several elements that need be unpacked, such as representation at various occupational levels.

While overall UCT is making progress by including more Black and Coloured women and men as staff members, many Black and Coloured women and men hold positions in lower pay classes (described as unskilled and semi-skilled positions). Conversely, few White and Indian women and men hold positions in in these pay classes. Conversely White and Indian men and women are overrepresented in higher pay classes (described as skilled technical workers and academically qualified). This highlights some of the challenges in terms of transforming UCT's staff demographics, against the backdrop of colonialism and apartheid continuities that plague higher education. It is important to make the links in terms of student demographics and over/representation and how that translates to staff demographics.

Conclusion

The IF at UCT in 2023 continued to fulfil an important role with respect to its mandate in terms of governance of transformation by working closely with the transformation structures. Its subcommittees (the Transformation Forum and EEF) remain active and robust spaces that drive and operationalise the overall transformation agenda in collaboration with the various transformation structures.

Sheila Barsel

Sheila Barsel

IF Co-Chair

22 June 2024

REPORT OF THE UNIVERSITY AUDIT AND RISK COMMITTEE

University Audit and Risk Committee

The University Audit and Risk Committee (UARC) is a standing committee of Council, which in terms of its constitution includes at least five members appointed by Council, who are neither staff nor students, and of whom at least two should be members of Council. The UARC is chaired by an external member of Council and as such has direct access to all Council matters.

Given the continued general prevalence of the IT risk governance and IT security having become an increasing area of concern and effort for organisations, the Committee remains committed to acquiring members who possess IT skills, in order to fully capacitate the Committee in delivering on its mandate.

The key responsibilities of the UARC are listed in Council's report on corporate governance (page 14) of this report.

The Committee met five times during 2023, comprising four normal meetings and a special meeting held in November. Attendance at UARC meetings during 2023 is presented in the table below:

Table 18: 2023 University Audit and Risk Committee Attendance

Member	Designation	Apr	Jun	Sep	Nov	Nov*	%
Ms T Mokgabudi	Chair & Council Member	P	P	Ap	Ap	P	60%
Mr T Murray	Deputy Chair (Independent)	P	P	P	P	P	100%
Mr E Davids	Council Member	P	Ap	P	P	Ap	60%
Professor N Eccles	Council Member	P	P	P	Ap	P	80%
Ms K Maphisa	Council Member	P	P	P	P	Ap	80%

Nov* = Special meeting

P = Present

Ap = Apology

Financial Reporting Oversight and Control Environment

The Council, through the UARC, oversees the preparation, integrity, and fair presentation in all material respect of the Annual Financial Statements and the financial reporting process managed by the University. The Council's key functions and responsibilities include risk management and the continuous implementation of effective and efficient internal control systems and processes. The University maintains systems of internal control to mitigate identified risks and ensure integrity of its core activities-teaching, learning and research-while safeguarding its assets.

The University has an organisational structure with a clear division of responsibilities, supported by established policies and procedures communicated throughout the institution. These structures are dynamic and regularly reviewed by management.

Modern information technology systems are deployed throughout the University, developed and implemented according to defined and documented standards to ensure efficiency, effectiveness, reliability and security. While there were no major changes to the University's key systems 2023, subsystems were added to address cyber security challenges and support increased digital operations.

The University adheres to acceptable standards to protect privacy and ensure data control, including disaster recovery and backup procedures. This is done while complying with the Promotion of Access to Information Act, ensuring access to information appropriate for a public institution.

A system of internal controls is in place at UCT and operating effectively. However, there are inherent limitations to any system of internal control, including the possibility of human error, heavy reliance on manual procedures, lack of segregation of duties and the potential for circumventing or overriding of controls. UCT aims to minimise management override by fostering a culture of honesty and encouraging a 'speak up' environment. Maintaining an effective system of internal controls is further supported by having robust policies and procedures guiding key processes across UCT. Therefore, an effective system of internal control can provide reasonable assurance regarding the preparation of the Annual Financial Statements and the safeguarding of assets.

The University's independent external auditors, PricewaterhouseCoopers (PwC), assess key accounting systems and financial reporting control systems for reliance purposes. PwC has performed a combination of substantive audit testing as well as controls testing for the year 2023. Based on their assessment of identified risks and their understanding of the University's business processes and relevant control activities, PwC found the general controls to be reliable.

The Internal Audit division, which functionally reports to the UARC and administratively reports to the Vice Chancellor, assesses and monitors internal operational control systems for adequacy. It reports any deficiencies, improvement and effectiveness of controls to the UARC.

Areas of focus of the University Audit and Risk Committee

The UARC is mandated by Council to ensure that management has implemented adequate controls over assets, risk and financial systems. Additionally, UARC must ensure that systems are in place for timely and accurate financial reporting in compliance with all applicable requirements. Consequently, UARC plays a crucial role in the assurance process and effectiveness of risk management processes at the University. The roles and responsibilities of UARC are outlined in its Terms of Reference (ToRs).

Below are some of the 2023 key areas of focus of the UARC:

Improving Cyber and information security within the University

As part of the current Internal audit plan, there was a requirement to perform an independent review of the University's information security maturity in terms of strategy, Information Security Management System (ISMS) establishment and security control requirements. As agreed with Information and Communication Technology Services (ICTS), the review aligned to the International Organisation for Standardisation's (ISO) 27000 Standards given that although the University is not currently actively pursuing certification, UCT recognises the advantages that ISO 27000 certification could bring, especially within the research space where research partners would gain a level of assurance that information security is managed in accordance with a globally recognised standards which would support improved funding opportunities. The report's overall rating was unsatisfactory.

As part of improving the Cyber and information security, management identified the need for, and implementation of an ISMS. Budget has been assigned to the programme of work, which has been anticipated to span over a period of three years. Management is confident that findings from the audit would be addressed collectively via the ISMS project.

The Committee had regular updates from the ICTS department and Internal Audit department throughout the year and continue to follow the progress of the ISMS project to ensure that all the audit recommendations will be resolved and implemented.

University Governance challenges

One of the responsibilities of UARC, as stipulated in the Committee's Terms of Reference concerning Risk Management, is to provide oversight on emerging risk activities arising from decisions, initiatives, transactions and exposures. The UARC prioritises these risks and reports them to Council.

In the previous year, a risk associated with governance and leadership challenges was identified and prioritised. The recommended mitigating actions was the establishment of an independent panel to investigate governance matters facing the University. This recommendation was accepted and commissioned by the UCT Council, leading to the appointment of an independent panel.

During the current financial year, the independent panel completed their investigation and issued a report with their findings. The UCT Council adopted this report and committed to implementing the recommendations it contained. To facilitate this, a Governance subcommittee was established to address the panel's findings.

The governance and leadership risk remains a high priority and through the RMEC, the UARC continues to monitor this risk, ensuring that the recommendations, including those from the panel report, are implemented effectively, in order to reduce the risk exposure to the University.

Annual Report including Annual Financial Statements

The Annual Report is prepared to ensure compliance with the requirements of the Higher Education Act. Management prepares and validates the report, ensuring that it provides a balanced and reasonable view of the

University, its performance for the year and outlook. Responsibility for producing the report is assigned to the Executive management and senior management of the University, with oversight of the VC. The report is noted by the UARC to ensure management and University Finance Committee (UFC) have carried out their roles and responsibilities. Financial information includes the audited Consolidated Annual Financial Statements. The external auditors, PwC, review the information in the Annual Report to ensure that there is no material inconsistency to their knowledge and information contained in the audited consolidated annual financial statements. The Annual Report is approved by Council after the recommendation by management, UFC and UARC.

The committee continues to play oversight on the preparation and audit of the Consolidated Annual Financial Statements. The focus for the 2023 financial year related to the following:

Student Fee Debt

The challenge of a growing student fee debt remains a concern for the University. Although in the 2023 year, a blanket fee block removal was not given to students, the University still noted an increase in the student fee debt, Management is continuing with efforts to reduce the student debt. Continued attention has been placed on the adequacy and accuracy of the Student Fee Debt provision.

Going concern

The University experienced challenges in achieving a balance between income received from government, student fees, and third-stream funding against its expenditure priorities. The largest expenditure is personnel cost, followed by other activities that align with the University's core objective of teaching, learning and research. The recent reduction in government subsidies has exacerbated the financial challenges stemming from the chronic underfunding over the past two decades.

The University Finance Committee (UFC) plays an important role in ensuring the University's financial sustainability. A significant focus of UFC is to ensure that the university achieves a balance between income and expenditure in the short term. Additionally, UFC's focus is the financial support provided to the needy but academically eligible students. UFC's review underscores the University's vital role in student funding and identified concerns related to the National Student Financial Aid Scheme (NSFAS) funding issues. These concerns are particularly pressing given the declining and unsustainable level of government funding in medium to long term, exacerbated by the country's economic challenges.

The UARC, upon reviewing the Consolidated Annual Financial Statements, as well as the medium term five-year cash flow forecast model, found no issues suggesting that the going concern assumptions made by management were inappropriate.

Based on the information and analysis provided by management, the UARC supports the appropriateness of the going concern assumption.

Auditor General Requirements

The Auditor General mandates that the external auditors perform certain additional procedures as detailed below:

- Compliance with the Higher Education Act, No 101 of 1997 (as amended)
- Understanding the Procurement and contract management processes
- The audit of predetermined objectives in terms International Standards on Assurance Engagement 3000
- Conflict of interest declarations

Internal Audit and the Internal Audit plan

Vision

To be an independent, objective assurance and consulting activity and a valued partner and advisor to management.

Mission

To assist the University to accomplish its objectives by evaluating and enhancing the effectiveness of risk management and system of internal controls by providing risk-based and objective assurance.

The Office of Internal Audit serves as an objective and independent appraisal for the University of Cape Town. Our objective is to evaluate and recommend improvements to the University's internal control structure, prioritising its efforts by continuously facilitating an objective risk assessment.

The Office of Internal Audit performs Assurance Services and delivers three engagement products, namely Assurance Review Audits (including follow-up Audits), Factual Findings Reviews and Agreed Upon Procedure Audits.

We follow a systematic and disciplined approach to our audits to provide reasonable assurance, amongst others, that:

- Risks identified are appropriately mitigated and managed
- Internal control processes are operating efficiently and effectively
- Policies, legislation and procedures are complied with
- Governance and Management oversight issues are addressed, including monitoring, reporting and quality assurance
- Institutional Assets are safeguarded and adequately maintained
- Continuous improvement is finding presence in processes

Our audits span across all UCT's departments, and faculties, where we evaluate financial processes, internal controls, compliance with relevant and applicable University policies and relevant laws, rules and regulations. Assurance Review Audits provides management with an overall report rating as well as individual ratings for all

findings identified. The findings identified requires management response for management action plans with specified implementation dates.

The results thereof are reported to the appropriate stakeholders including University Executive Management, Management and the UARC. The results of Factual Finding and Agreed Upon Procedures are also shared with external stakeholders.

The Office of Internal Audit is governed by the adherence to their Internal Audit Charter, Code of Ethics and The Institute of Internal Auditors' International Standards for the Professional Practice of Internal Auditing adopted by The Institute of Internal Auditors (IIA). This mandatory guidance constitutes principles of the fundamental requirements for the professional practice of internal auditing and for evaluating effectiveness of the internal audit's performance. In addition, the Office of Internal Audit adheres to relevant University Policies and procedures and the Internal Audit Manual.

In maintaining our independence, the Director of Internal Audit reports functionally to the UARC, administratively to the Vice Chancellor and has direct access to the Chair of the UARC. Internal Audit remains functionally independent of the activities and the day- to-day internal control processes that they audit. In addition, audit staff, in line with the Audit Charter, have full, free and unrestricted access to all the University's records, physical properties and personnel relevant to any function under review.

The UARC is responsible for approving the risk-based Audit Plan, the Internal Audit Charter and provides oversight over the Internal Audit function. Internal audit can carry out and conduct their audits, free of influence by any element in the University, including matters of audit selection, scope, procedures, frequency of audits, timing, and report content to maintain independence and objectivity. Internal Audit continues to deliver on the agreed Audit Plan and meet with stakeholders to understand their key risks and adapt the audit plan accordingly. The internal audit annual plan considers the key risks identified by management, the requirements of the UARC and management, as well as available resources.

Regular audit reports are presented at the UARC for consideration. The results of the audits are used as a basis to work with management and jointly provide recommendations and suggestions to improvements in systems and processes, including governance.

Comparison of Report Rating for Assurance Audits



The 7 Assurance Audits performed in 2023, were rated Weak. In 2022 6 Assurance audits were rated Weak and 1 Unsatisfactory.

Comparison of Audit Finding Ratings



The total number of Audit Findings was 46 (2022:62), with 16 (2022:16) rated Cause for Considerable Concern and 25 (2022: 30) Cause for Concern.

As part of the Internal Audit Annual plan, we performed 1 (2022: 2) Agreed Upon Procedure Audit, at the request of external stakeholders. These reports require no report rating.

Rotation of the independent auditors

The University's policy is that external auditors will be appointed for a period of five years, subject to the annual recommendation from the UARC to the University Council for approval, as well as concurrence from the Auditor General South Africa (AGSA). The University can terminate the appointment at any time during the five-year period.

Under the provisions of the Public Audit Act, the appointment of auditors is to be made in consultation with the AGSA. PwC was appointed as the University's external auditors in 2021, following a competitive tender process. The UARC was satisfied with the performance of PwC and recommended for their re-appointment for the 2024 audit. This recommendation was endorsed by Council and ratified by the AGSA. UARC meetings are attended by the AGSA representative and where appropriate, guidance is provided on aspects relating to the public audit prescripts.

Independent External and Internal Audits

The UARC reviewed the audit approach and key risk areas of the external audit. As part of the 2023 external audit, the UARC approved an increase in audit scope as part of the external auditor's responsibilities. During the year under review, the UARC has interacted with Internal Audit in respect of the internal audit plan and continues to review progress against the plan and the findings from the respective audits. UARC is satisfied that the auditors have communicated according to their mandate in 2023.

Risk Management Executive Committee

Risk management is the ongoing process to identify, assess, manage and control potential events or situations in order to provide reasonable assurance regarding the achievement of an organisation's objectives. The University of Cape Town (hereinafter referred to as the 'University') is committed to establishing and maintaining a systematic

approach to the proactive identification, assessment and management of risk. The University commits to manage all risks which could prevent the achievement of its stated objectives while at the same time not limiting its ability to attain the same objectives by taking on an acceptable level of risk. The Vice-Chancellor is supported by the University Executive and Senior Management teams in fulfilling the university mandate.

Table 19: Attendance at Risk Management Executive Committee Meetings

Membership	Designation	Mar	May	Aug	Oct	Dec	%
Emer Prof D Reddy	Member (Chair)	P	P	P	P	P	100%
Dr R Morar	Member (Deputy Chair)	P	P	N/A	N/A	N/A	100%
Mr R Pillay	Member (Registrar)	Ap	P	P	Ap	Ap	40%
*Mr M Parker	Member (Acting Deputy Chair)	N/A	N/A	P	P	P	100%
Prof E Ramugondo	Member	P	P	P	P	P	100%
Prof S Harrison	Member	P	P	P	P	P	100%
Prof H Kathard	Member	P	P	N/A	N/A	N/A	100%
Prof A Lewis	Member	P	P	Ap	Ap	P	60%
Mr V Motholo	Member	P	P	P	Ap	Ap	60%
Mr P Mgolombane	Member	P	P	P	P	P	100%
Mr A Conrad	Member	P	P	P	Ap	P	80%
Dr C Duggan	Member	P	P	Ap	Ap	Ap	40%
Prof L Ronnie	Member	N/A	N/A	P	P	P	100%
Mr S Makgoba	Assessor Member	P	P	P	P	P	100%
Ms B Hashim	Assessor Member	P	P	P	P	P	100%
Mr B Ndaba	Assessor Member	Ap	P	P	P	Ap	60%
Ms T Ndabula	Assessor Member	P	P	P	P	P	100%
Mr R van Huyssteen	Assessor Member	P	P	P	P	P	100%
Mr M Parker	Assessor Member	Ap	P	N/A	N/A	N/A	100%
Mr T Tsotsobe	Assessor Member	Ap	Ap	P	P	P	60%
Dr L Mtwisha	Assessor Member	P	Ap	Ap	Ap	Ap	20%
Ms O Manuel	Assessor Member	N/A	N/A	N/A	N/A	P	100%

P = Present Ap = Apology

N/A = Not a member/attended during the period in question

* Mr M Parker was appointed as Acting COO which meant his role changed from an Assessor member to Member of the Committee with full voting rights.

Strategic risk register and operational risk registers

The university maintains an important risk register outlining potential threats that could affect the university's strategic objectives. The process involves identification of risks, assessing their likelihood, impact, and mitigation strategies. It enables monitoring and controlling of risks, as well as identifying senior management responsible for these risks. Overall, the Vice-Chancellor takes, with the support of the Risk Office, full ownership of the university strategic risk register. The register is approved by the Council after its review by the Risk Management Executive Committee (RMEC) and the University Audit Risk Committee (UARC). The strategic risk register is reviewed mid-year and key risks are discussed at RMEC and the UARC meetings. In addition to the strategic risk register, there are faculty and departmental risk registers which are presented to RMEC for approval. Once approved by RMEC, all the operational risk registers are presented to the UARC for discussion. The Deans take overall responsibility for their faculty risk registers and Executive Directors (or senior manager) for their departments.

Risk Management areas of focus

The University's integrated and structured risk management approach facilitates effective and efficient management of ongoing and new risks at both strategic and operational levels. Risk Management is not only the responsibility of the UARC and RMEC but is embedded in the operations of the university across the faculties and departments which engage on a regular basis, with focus on matters that may derail the achievement of stated objectives.

Threat to the financial sustainability of the University

The university is operating on a deficit budget owing to a number of factors including amongst others the decline in state funding, lower than planned student enrolment negatively impacting tuition fees and subsidies, increased personnel and related costs, student financial aid uncertainty and policy changes in 2023. In addressing these challenges, the university has developed a financial sustainability plan, which has been approved by the Council. The financial sustainability plan is in the process of being implemented.

Student protests on campus

At the beginning of the 2023 academic year, the university experienced disruptive student protests related to financial exclusion: in particular, relating to the fee block policy which precludes returning students with a debt of greater than R10 000 from registering. The issue of fee blocks and financial exclusion is one that South African universities struggle with every year. The UCT Council has approved a policy that guides the university in dealing with financial exclusion in order to ensure that the majority of students are not financially excluded. On an annual basis the university reviews and provides measures including its own resources to assist academically and financially needy students to register and continue with their studies. This resources allocation will never be enough and that is why part of the student financial aid offering includes sponsorships from corporates, government entities, donors and other key stakeholders. In addressing the protests, the university management engaged with the Student Representative Council (SRC) and reached an agreement following a mediation session by an external facilitator. Under the agreement, UCT management conducted a review in respect of its fee policy, with specific reference to the application of a fee block taking into account the financial means of the university and the needs of each student, the socio-economic conditions affecting each student, and the academic

performance of each student. This agreement, which resulted in management seeking and obtaining from Council concessions in respect of selected students, resulted in a number of students who would have otherwise been financially excluded registering for 2023. Learning from the experience of past protests and triggers, in preparation for the 2024 academic year, RMEC held a special meeting to identify potential threats and put in measures that will minimise any disruptive protests in the ensuing years.

[Inability of the University to provide minimum acceptable levels of Financial Aid to potential students](#)

The National Student Financial Aid Scheme (NSFAS) is the biggest financial sponsor of students in the higher education sector. The risks to the university due to the NSFAS policy changes included increased student protests, increased student fee debt, decreased student funding, sector instability, and reduced academic throughput rates. Concerns existed over NSFAS's administrative aptitude and the lack of payment systems in place. However, the policy changes introduced and imposed by NSFAS in the last several years present a big risk to the sector. In 2023, NSFAS applied a R45 000 cap across the sector for university and private accommodation without consideration for geo-economic location. As a result of this and other related NSFAS challenges, a committee constituting university Vice-Chancellors, the Minister and NSFAS was formed to discuss the way forward. Universities were requested to submit academic costs to NSFAS, including details of all their student accommodation, conditions of such accommodation, maintenance and other costs involved in student accommodation. This did not yield the desired result meaning that the cap was maintained for 2023. Despite an invitation by NSFAS to appeal the cap, UCT's appeal was declined. This means that all university student funded by NSFAS in university owned accommodation had a shortfall which was cover by the university. It will not be possible for the university to cover the cover in subsequent years with the resultant risk of student protest. NSFAS gave notice to all universities of its intention to manage direct allowance payments to students from 1 June 2023. The intention was to onboard all students and activate the payment system on that date, despite pilot testing not having been conducted. The NSFAS direct payment system did not work well, and left many students stranded, especially over the exam period when NSFAS failed to pay some students their allowances. Despite the challenges NSFAS remained adamant that they would pay allowances for 2024 from February. The lack of NSFAS' proper acknowledgment and constructive engagement with the sector, and the negative impact due to a lack of proper functioning systems, has been a major hurdle. The sector remains deeply concerned going forward about the NSFAS issues, and the impact on students, who are expected to achieve academically despite the difficulties they are experiencing with their NSFAS funding.

[Information and cyber security](#)

Cyber and information breaches present an ongoing threat to any organisation. The top risks receiving priority in 2023 were information, cyber security and privacy, IT continuity, ICT skills and talent management, ICT maturity levels, IT governance and risk management. High priority was afforded to information and cyber privacy-related risks for which the potential for disruption of the University's core business operations, data breaches, financial loss and reputational damage was significant. IT service continuity: A request for proposals (RFP) had been awarded in the Disaster Recovery (DR) project, which will focus on improving DR policies and operating procedures. The ICTS DR project and the Business Continuity Plan (BCP) were running concurrently and in accord with one another. The DR required additional scope to the BCP which in turn would provide specific objectives to be met by the DR project. It was noted that the project may require additional time and funding to meet the level of resilience and response times expected by the university community.

[Litigation register](#)

The university maintains a comprehensive register reflecting all litigation or arbitration matters facing the University, including matters relating to the Commission for Conciliation, Mediation and Arbitration (CCMA), that are before the courts of law. The focus from RMEC is around measures which can be pursued to minimise the number of litigations requiring external parties to resolve. In particular, there is a concerted focus on employee relations to reduce the number of cases which end up at the CCMA as this shift focus on the university being an employer of choice.

Whistleblowing Policy

The University has established and maintains channels for the reporting of wrongdoing by all stakeholders, both internal and external. As an employer, the University is committed to enabling its staff and contractors to fulfil their legal obligation to report suspicions or knowledge of fraud, corruption or other malpractice within the institution without fear of retaliation. In 2023 the university updated and presented a more comprehensive whistleblowing policy which was approved by Council. The effective deterrence, detection and remediation of wrongdoing at UCT is the overriding objective of this Policy. Its implementation plays a key role in ensuring that the University fulfils its obligations in terms of the regulatory framework within which it operates, and in terms of its duties to the communities and society that it serves. As part of accountability to stakeholders, an annual summary of some matters reported to the hotline is provided and outcomes on these matters are reported. In addition, the labour unions are actively engaged on matters involving whistleblowing including making valuable input to the approved policy.

Business Continuity Plans for the University

The University has had first-hand experience over the past few years in responding to crises and disruptive events that threatened the ability to successfully continue with teaching, learning and research activities. The University has commenced on its Business Continuity Management Plan (BCMP) journey and has already completed a Strategic Business Impact Analysis (BIA) to determine an overview of critical services and underlying dependencies, define the potential damages to the organisation and the timespan to full damage, identification of primary objectives and risk as well as potential disaster scenarios and lastly determination of the roles and responsibilities. Although UCT has been successful in responding to these events, the organisation appreciates the benefits of having a robust business continuity capability, including risk-based plans, a supporting framework and policy to allow for quick recovery from an event to continue its operations. The University plans to develop an integrated approach on resilience, connecting elements such as continuity management, crisis management and reputation in alignment to ISO 22301 and the Business Continuity Institutes Good Practice Guidelines.

Levels of crime on and off campus

The Committee receives detailed reports at each meeting of the RMEC regarding crime both on campus and in the neighbouring precincts. The reports shows that the incidence of serious crime on campus has been significantly reduced and safety and security improved on and in the vicinity of the university campuses. Progress had been made in improving security on campus with the installation of CCTV and the upgrade of fences. No security incidents were reported during the busy year-end period of exams, December 2023 graduation and key events on campus. Vehicle theft has been combatted through collaboration with South African Police Service (SAPS) and Groote Schuur Community Improvement District (GSID) which had set up vehicle patrols on campus and areas surrounding UCT.

The University campus' open access to the public was highlighted as a contributing factor to vulnerability to vehicle theft. While CCTV surveillance had been enhanced, public access increased opportunities for syndicates to operate on and exit the campus freely. A crime-awareness campaign had been initiated by the new Communication Manager, intended to be broadcast weekly on UCT radio. The importance of creating awareness among staff and students to remain vigilant about crime and to take responsibility for the safety of personal belongings.

Insurance

The University's complex and diverse operations covering teaching and learning, research, community engagement and commercial development means that it faces several natural and unnatural risks. This requires that it takes insurance cover as a measure for protection against unforeseen events or risks. This allows the university to transfer the risk of potential financial losses to insurers in return for paying premiums based on its risk profile. The increase of insurance premiums and limitations on some classes of insurance cover continues to be a challenge facing the higher education sector. Key to cover has been the University completing all its claims and getting payment for its major insurance claims including the 2021 UCT fire that affected several buildings resulting in minor disruptions to the operations of the institution.

Other Risks

Investment, financial, market and price risks are addressed in the financial report section.



**Ms Tshidi
Mokgabudi CA(SA)**
Chair: University Audit and
Risk Committee



Prof Daya Reddy
Interim Vice-Chancellor and
Chair: Risk Management
Executive Committee



**Ms Bahijah Hashim
(CA)SA**
Director: Internal Audit

22 June 2024

REPORT OF THE UNIVERSITY FINANCE COMMITTEE

University Finance Committee

The University Finance Committee (UFC) serves as a permanent committee of the Council and is led by an external member appointed as the Chair. Comprising of four Council members, including the Chair, three Senate nominees, two Students Representative Council nominees, and ex-officio members such as the Vice-Chancellor, Chief Financial Officer and Chief Operating Officer, the committee functions within the established planning and strategic frameworks set by the Council.

The primary responsibilities of the UFC involve providing guidance on financial strategy, presenting recommendations regarding operational and capital budgets, and regularly monitoring and reporting progress against these budgets on a quarterly basis. While the committee does not explicitly determine resource allocation, it assesses the risk associated with specific allocations, particularly in terms of cash flow and available funds.

Throughout the year 2023, the committee convened on four occasions.

Table 20: 2023 Attendance at University Finance Committee Meetings:

	17 Mar 2023	6 Jun 2023	25 Aug 2023	17 Nov 2023	% Attendance
Mr R Isaacs	N/A	N/A	P	P	100%
Mr B Jakoet	P	P	Ap	Res	67%
Ms I Pule	N/A	N/A	P	Ap	50%
Ms D Yach	P	P	P	P	100%
Dr R Morar	P	Ap	Res	Res	50%
Mr M Parker	N/A	N/A	P	P	100%
Mr V Motholo	P	P	P	P	100%
Prof D Reddy	P	P	P	P	100%
A/Prof T Gebbie	Ap	P	Ap	P	50%
Prof E Muchapondwa	P	P	Ap	P	75%
Prof J Raju	P	P	P	P	100%
Mx K Goqoza (SRC)	Ap	Ab	Ap	N/A	0%
Mr B Tembe (SRC)	P	P	P	N/A	100%
Mr A Mahlangu (SRC)	N/A	N/A	N/A	P	100%
Mr J Mokoena (SRC)	N/A	N/A	N/A	P	100%

P = Present

Ap = Apology

Ab = Absent

Res = Resigned

N/A = Not a member

Financial Management

UCT places significant emphasis on effective financial management to ensure a combination of best practices, responsible stewardship, and forward thinking. This approach aims to provide the University with the necessary financial resources to fulfil its objectives. UCT's comprehensive financial plan encompasses seven distinct yet interconnected components:

1. Continuing educational operations
2. Research and other operations reliant on specific funding
3. Student housing operations
4. Investment income and financing expenditure
5. Capital expenditure
6. Capital structure and financing
7. Cash flow planning

Financial Policy

The University's Financial Policy is designed to ensure the long-term financial sustainability of the institution, as outlined in the following policy statement:

"Our financial policy aims to support sustainable operations and enable investments in educational initiatives that align with our mission. We adopt a conservative approach to financial management, striving for efficient recurrent operations that generate funds to support strategic initiatives."

UCT operates within a multi-year framework, and the financial policy is implemented by integrating the following key areas:

1. **Break-even Target:** Although the applicable policy aims to generate a surplus from Council-controlled recurrent operations to fund new initiatives and provide a buffer against unforeseen circumstances, this was not the case for 2023 where we generated a loss of R349.29 m. The position improves to a budgeted deficit of R220m for 2024. Per the amended policy, and within the following 3 years while operating within the constraints as articulated in our financial sustainability plan, we aim to target a break-even on Council-controlled recurrent operations.
2. **Capital Expenditure:** Our capital expenditure is guided by the strategic framework and limited by available cash resources and borrowing capacity, ensuring affordability.
3. **Debt Finance:** Debt finance is used conservatively, taking into account the ability to service both interest and capital repayments.
4. **Investment Income:** Given its volatile nature, investment income, after deducting all financing costs, is solely allocated to seed new initiatives and support other strategic choices.

By adhering to this financial policy and implementing these integrated approaches, UCT strives to achieve financial sustainability, support its operational needs, and invest in initiatives that align with its mission.

Cash flow planning

Effective cash flow planning is essential for the UCT to manage its financial resources efficiently. The cash flow at UCT is very cyclical and exhibits a low point at the end of January, with a peak in July/August, coinciding with the receipt of most fees and subsidies. It is imperative that we exercise careful planning and management of our cash flow to generate investment income and facilitate the execution of projects. We have established cash management committee chaired by the CFO to closely monitor our cash utilisation and needs against available cash. The Committee meets monthly and accounts to UFC via the Executive Committee.

Sustainability

The achievement of our strategic goal of financial sustainability relies on the recurrent operations of the University and the availability of free cash reserves. Although our operating margin is low, the associated risk is partially mitigated by the knowledge that a significant portion of our income, comprising subsidies and fees, is received early in the operating cycle. In the event that these inflows deviate significantly from our projections, we have the opportunity to promptly react and make necessary adjustments to our operations.

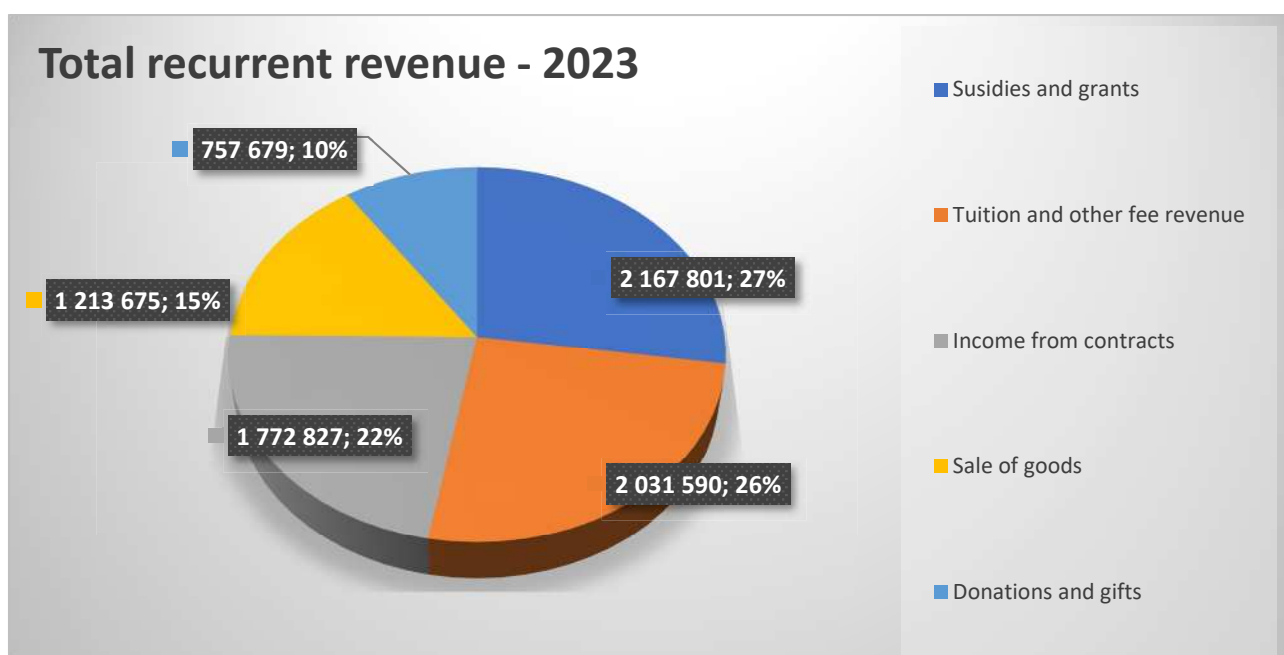
As part of the preliminary University's financial sustainability plan, UCT has identified specific projects that aim to enhance its revenue generation while focusing on the core areas of teaching, learning, and research. Consequently, a comprehensive review of our current investments in the third income stream is underway to ensure strategic alignment with the University's goals and long-term financial viability. In addition, given the deficit of R349.29m in 2023 and the budgeted deficit of R220m for 2024, in May 2024 we have constituted an internal project team to formulate a multi-year approach to address this significant issue. In addition, we have appointed an external service provider to assist this team with project management, starting with a full diagnostic, planning and then the execution of this financial sustainability plan.

Despite our efforts, there are certain concerns that warrant our attention. The lower than inflation fee increases, the mounting pressure on the state to fulfil its funding commitments, rising inflation driving cost increases and our wage and salary commitments remain significant drivers that require vigilance. These events and uncertainties serve as a constant reminder against complacency and emphasise the importance of maintaining our free cash reserve target, along with staying informed about economic outlooks and challenges faced by the state.

In conclusion, UCT recognises the significance of effective revenue, cost and cash flow management in maintaining financial stability and pursuing sustainable growth. By implementing prudent financial strategies, monitoring economic conditions, and adapting to evolving circumstances, we aim to navigate potential challenges and secure the long-term success of our institution.

2023 Financial Highlights

Financial Performance



In 2023, the total revenue of the University increased by 11.2% compared to the previous year, reaching R8.63 billion. This growth was primarily driven by income from contracts (eg. Research contracts), sale of goods and services (eg. Hotel accommodation and short courses fee income) and donations and gifts. In 2022, the total revenue stood at R7.76 billion, reflecting a growth rate of 10%.

Net fee income, which excludes bursaries, scholarships, and financial aid adjustments, increased by 1.3% in 2023. The net fee income for 2023 amounted to R2.03 billion, compared to R2.01 billion in 2022, representing a growth rate of 1.3% in the previous year.

Income from state appropriations experienced a further decline in 2023, of 3.4%. The University received R2.17 billion from state appropriations in 2023, while the corresponding figure for 2022 was R2.24 billion, reflecting a marginal decrease of 2%.

The income from contracts as well as sale of goods and services made significant contributions to the overall revenue increase with a growth rate of 14.4% and 35.3% respectively in 2023. The income from contracts amounted to R1.77 billion while sale of goods and services amounted to R1.21 billion in 2023. This was up from R1.55 billion and R897 million respectively in 2022.

On the expenditure side, which includes personnel costs and other operating expenditure, there was a 12.3% increase in 2023. The total expenditure for the year amounted to R8.28 billion, compared to R7.37 billion in 2022, reflecting a growth rate of 9.2% in the previous year.

Excluding investment income and fair value movements on financial instruments, a deficit of R342.3 million was incurred in 2023, compared to a deficit of R196.4 million in 2022. This is attributable to the revenue line growing at a lower rate compared to costs and attributable significantly to lower enrolments and salary costs increases at rate higher than tuition fees.

The consolidated operating surplus after investment income showed a significant increase in 2023 versus a substantial decrease of 94.1% in 2022. This surplus for 2023 amounted to R1.04 billion, up from R80.8 million in 2022.

In 2022, there was a significant decrease in cash while the University generated R217.9 million in cash in 2023, compared to the R223.5 million utilised in 2022.

Total assets increased by 8.8% in 2023 representing a total of R16.79 billion in 2023, up from R15.44 billion in 2022.

Out of the operating surplus of R1.04 billion, R1.44 billion is attributable to restricted funds that are not under the discretion of the Council. The net surplus of R1.04 billion includes deficits of R349.29 million from Council-controlled activities and R49.7 million from the Student and Staff Housing operations.

Statement of Financial Position

In the current fiscal year, the total assets of the University increased by 8.8%. This increase can be attributed to several significant factors within our financial landscape. Notably, there was an increase of 3.7% in Property, Plant, and Equipment (PPE) and 9.3% in Investments compared to the previous year's growth rate of 4% for PPE and a decrease of 9% for Investments. The rise in PPE can primarily be attributed to the purchase of land purposed for student accommodation, as well as projects related to planned and backlog maintenance. Investments witnessed a substantial increase of 9.3% compared to a slight increase of 1.1% in the previous year. This increase is mainly due to the better performance noted in the markets, despite concerns regarding the outlook for local economic growth and the impact of higher interest rates.

Another notable change is the increase of 20% in current assets, contrasting with a decrease of 10% in the previous year. The most significant contributor to this growth is the increase in cash and cash equivalents by 32.4%. This increase in cash is primarily attributed to the timing of the payment of bonuses, as opposed to the previous year where bonuses were paid in the month of December as well as the timing of planned capex.

It is essential to highlight that a substantial portion of our non-current assets are designated, and the Council has no discretionary control over them. These assets, which amount to R4.4 billion, constitute 26% of our total assets for the current fiscal year, slightly higher than the R4.3 billion reported in 2022. Moreover, it is crucial to note that the approval of the Minister of Higher Education and Training is required for the alienation, including the sale of any immovable properties.

Regarding our investments, approximately 60% of the portfolio is held by the UCT Foundation and is allocated to specific activities. The remaining balance is held within the University operations, with 80% of these funds designated for specifically funded restricted activities.

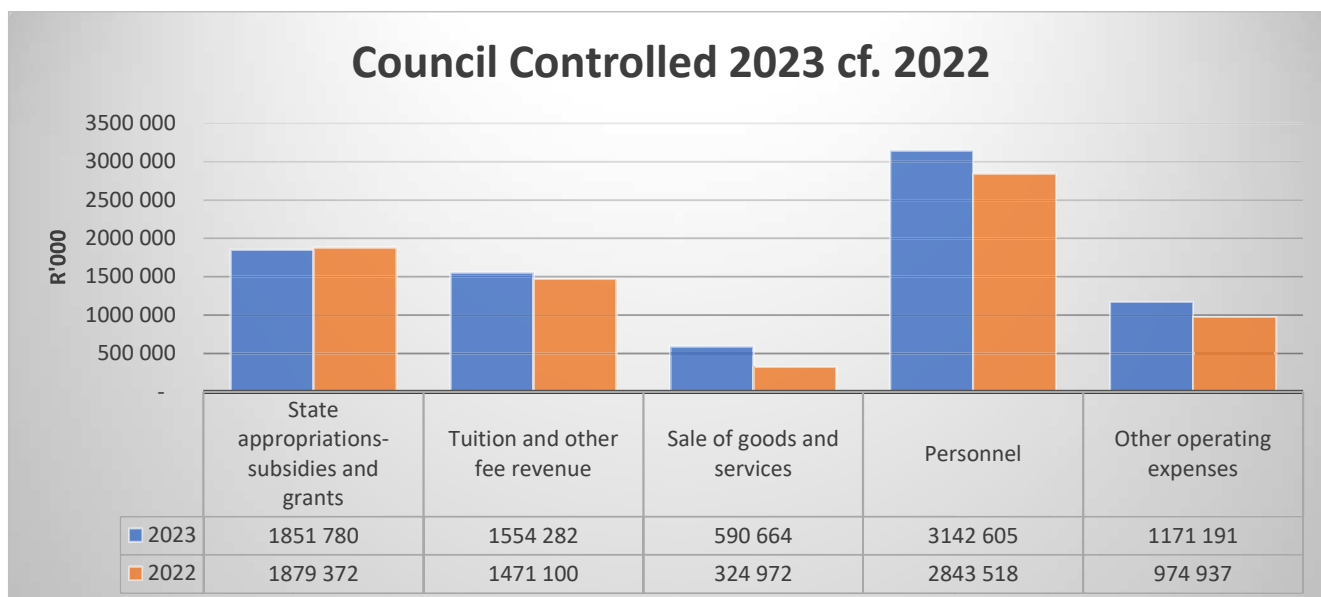
A concerning aspect of our financials is the recurrent increase in student fee receivables, particularly due to the fact that 13% of this debt is over 12 months overdue. The gross student fee outstanding for the current year was R594 million, which represents an increase of 25% when compared to the prior year (R476 million). Given the worsening in factors affecting the ability of students to settle outstanding debt, the provision for credit losses regarding student debt has increased by 46% in the current, from R166 million to R241 million (2022). The management team acknowledges the importance of addressing this issue and emphasises that student fee debt collection remains a key focus. We recognise that the negative economic outlook may impact the timing and effectiveness of our collection efforts in addition the concessions that have been made over the years.

In terms of our financial position, the University maintains a healthy gearing ratio, with liabilities totalling R3.27 billion against total assets of R16.79 billion, resulting in a debt ratio of 0.19. It is noteworthy that the University did not increase its long-term borrowings in 2023 but rather continued to settle the total drawdown of R110 million from the Development Bank of Southern Africa (DBSA) loan facility. This loan, utilized for the funding of the conference centre at the Graduate School of Business, is scheduled for repayment over a 10-year period, with the University currently in its 6th year of repayment.

In conclusion, the increase in total assets, along with the changes in specific categories, highlights the financial dynamics of the University. We remain committed to managing our financial resources prudently, addressing the challenges in student fee collections, and ensuring the sustainability and growth of the institution.

Statement of Comprehensive Income

Council Controlled Unrestricted Operations



Council Controlled Unrestricted operations, which encompass the primary recurring operating activities that provide and support teaching and learning, exhibited notable changes in key financial data. Specifically, in relation to these operations, the total operating income increased by R333.9 million (9.1%) to reach R4.01 billion. This increase was primarily driven by a rise in the sale of goods and services and tuition fee income, amounting to R265.69 million (81.8%) and R83.18 million (5.7%) respectively. However, state appropriations saw a decrease of R27.59 million (1.5%).

The decline in state appropriations can be attributed primarily to the claw back from the DHET which was advised to the sector end October 2023. On the other hand, the increase in sale of goods and service primarily stems from third-party revenue and commercial activities, including our accommodation-related entities such as two Marriott-operated hotel properties, vacation accommodations, and the conference centre at the GSB. The continual increase in revenues related to these activities reflects the stabilization of the hospitality and has facilitated the resumption of business activities, leisure travel, and conferencing.

Tuition fees are offset against UCT council and restricted funding financial aid and bursaries, as mandated by the International Financial Reporting Standards (IFRS). Before accounting for the IFRS adjustments, tuition income amounts to R1.70 billion, indicating an increase of R78.27 million. At the net level, considering the required adjustments, tuition revenues increased by R83.18 million or 5.7%. This growth in tuition fees can primarily be attributed to the fee increase applied.

Expenditure reflected an above inflation increase of R526.16 million (12.8%) to reach R4.67 billion, primarily driven by a rise in personnel costs amounting to R299.09 million (10.5%) and an increase in other operating costs of R196.25 million (20.1%). The main driver behind the increase in personnel costs is the filling of vacant permanent positions and the cost-of-living increment agreed with unions.

Financial support provided to our undergraduate students amounted to a total of R1.80 billion, down from R1.93 billion in 2022. This support is derived from various sources, including corporate and external bursaries amounting to R360 million, grants provided by NSFAS totalling R655 million, and an additional R688 million from council-controlled funds provided by UCT (of which R62.8 million has been offset against tuition fee income). Furthermore, income from endowments and other funds available to the University for financial aid purposes contributed R100.82 million.

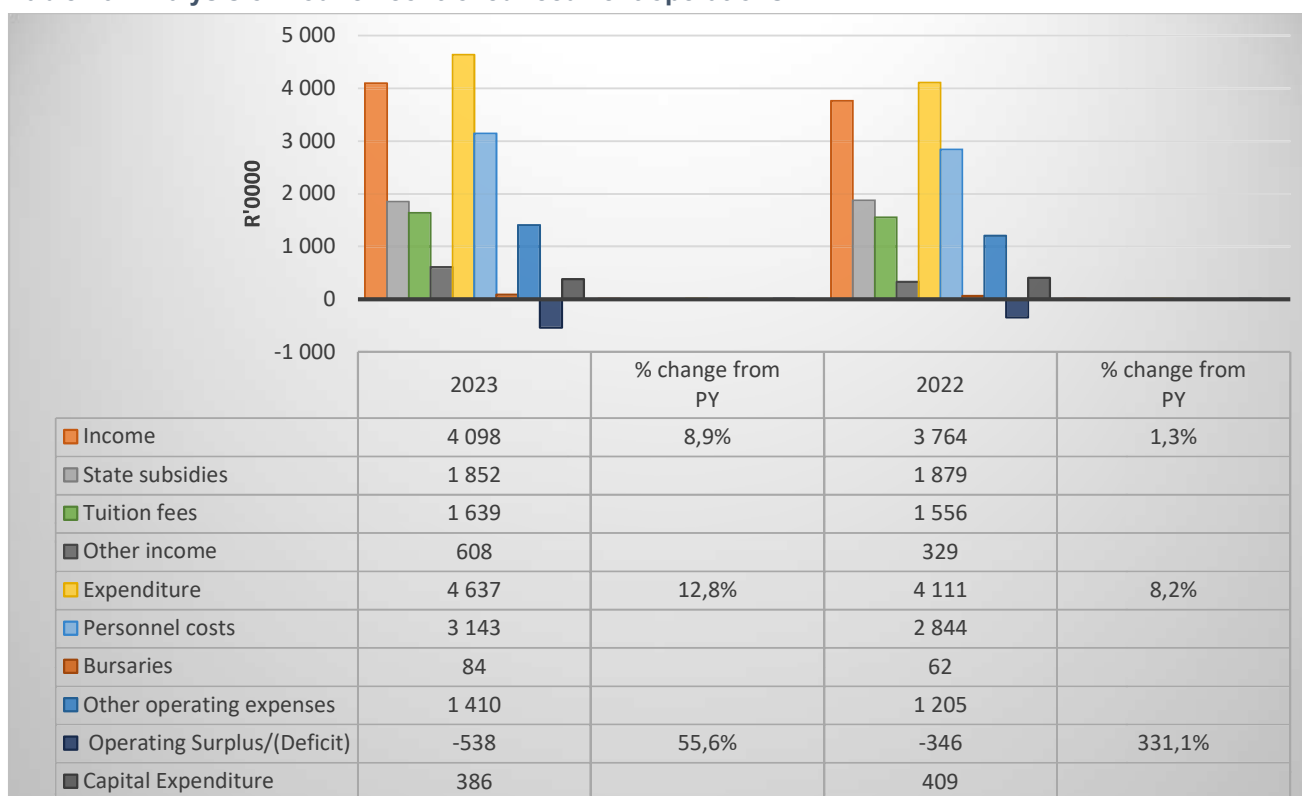
Upon excluding the effects of the IFRS15 offsetting of Designated bursaries against Council-controlled tuition income, as well as net finance income, the council-controlled recurrent operations resulted in a deficit of R538

million, following the deficit of R346 million in 2022. At a high level, this substantial increase in the deficit can be largely attributed to the significant rise in personnel costs and the decrease in state appropriations income resulting from the sector wide claw back by the DHET. This increase in deficit highlights the urgent need for a comprehensive financial sustainability plan.

The University had Capital expenditure (Capex) of R386 million in the current year, in comparison to R409 million in 2022. The decrease in Capex spend was largely attributable to a decreased spend relating to Strategic and once off allocations, as well as ICTS related projects.

The actual deficit attributable to council-controlled unrestricted funds, as reflected in the Consolidated Income Statement on page 96, amounts to R349.29 million, compared to a deficit of R121.68 million in 2022. In both years, investment income played a major role, contributing R268 million (R221 million in 2022) to the difference between the mentioned deficits in both years.

Table 20: Analysis of Council-controlled recurrent operations

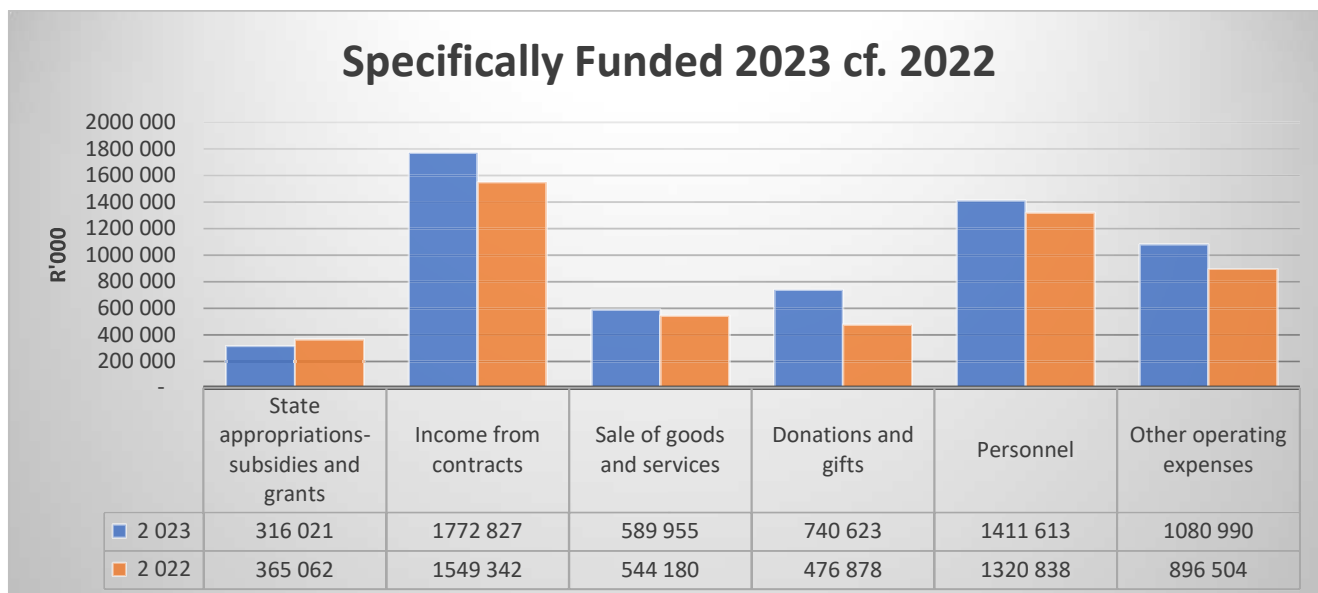


**Reconciliation to Operating Surplus/(Deficit)
as per the Annual Financial Statements**

	2023	2022
Operating Surplus/(Deficit) as above	-538	-346
IFRS15 Specifically-Funded Activities adjustment**	-85	-85
Deficit excluding financing component, other income and transfers	-623	-431
Interest	268	222
Net finance costs	-25	-30
Other Income	4	-14
Transfers between funds	27	131
Deficit for the year as per AFS	-349	-122

** IFRS15: Revenue from Contracts with Customers requires bursaries that offset tuition costs be offset against tuition income, and not be disclosed as expenses. However, as all tuition income is Council-controlled, the portion of Specifically Funded Activities' bursaries that are offset against tuition income represents a transfer of expenses from Specifically Funded Activities to Council. For the analysis of Council performance above, the effect of this IFRS15 adjustment has been removed.

Specifically Funded Activities Restricted Operations



Specifically Funded Activities Restricted encompass research and other specifically funded initiatives that typically lie outside the purview of the University management. Although decision-making authority may be retained in terms of governance, monitoring, and occasionally approval, these activities introduce additional risks to the University. These risks primarily stem from limited decision rights concerning cash flows, accounts receivable management, and infrastructural support. Moreover, the growing complexity of compliance and reporting requirements associated with research contracts amplifies these risks, necessitating additional resources to mitigate them.

In the fiscal year, the University witnessed a significant increase in revenues, with a notable surge of 16.25% amounting to R534.3 billion. Government-related grants experienced a decline of 13.4%, decreasing from R365.06 million to R316.02 million, while income from contracts exhibited a notable growth of 14%, rising from R1.55 billion to R1.77 billion. This surge in research activity, which has persisted over an extended period, has placed substantial demands on core administrative departments. Unfortunately, these departments have received limited resource allocations to effectively manage this growth, leading to an increased risk of reputational damage.

As a research-intensive university, securing funding for research activities remains a strategic imperative. Therefore, it is crucial to establish robust systems and employ capable personnel to facilitate research and attract sustainable research funding. The University's research-related activities have witnessed consistent growth over the years, surpassing the R1 billion milestone in 2014. The current research-related revenue, comprising grants and contract income, stands at R2.09 billion (2022: R1.91 billion), representing 55% of the total specifically funded activities valued at R3.82 billion. Additionally, research-related revenue accounts for at least 24% of the University's total income.

Analysing the broad categories of funding, contract income amounts to R1.77 billion (2022: R1.55 billion), constituting 46% of the research revenue. Government grants contribute R316.02 million (2022: R365.1 million), accounting for 8% of the research revenue. Research-related donations total R740.62 million, indicating a significant increase of R263.7 million compared to 2022.

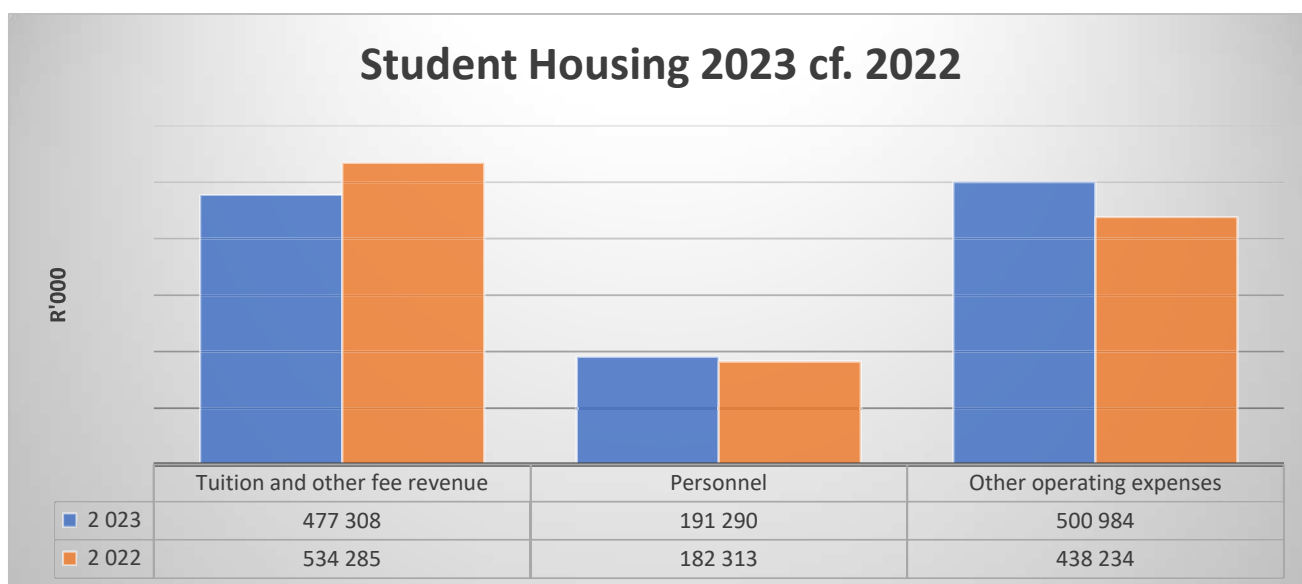
The top 10 major research funders at the University include the National Research Foundation (NRF), the Bill and Melinda Gates Foundation (BMGF), the National Institutes of Health (NIH), the Medical Research Council (MRC), and the Wellcome Trust. Among these, the NRF serves as the primary source of research funding, contributing a minimum of 22% of the total research revenue and supporting the largest number of researchers and their students.

Three spin-off companies were recognised in 2023: Sleep Science emanating from the Department of Human Biology, founded by Dr Dale Rae and employing two PhD students; Vas MedTech, co-founded by Edmund Wessels, also from the Department of Human Biology, who graduated with a masters in Biomedical Engineering and will commercialise his hysteroscope invention, and PeeCycling founded by Prof Dyllon Randall (Civil Engineering) and then PhD Student Dr Caitlin Courtney to commercialise a process designed to generate value-add liquid fertilisers from urine.

UCT is a special partner of the (external) University Technology Fund (UTF), and invests alongside the UTF from our Evergreen Fund. The UTF has invested in nine UCT spin-off companies and invested R9.75m during 2023, leveraging the R3m invested by the University. The Evergreen Fund has invested R57.6m in spin-off companies and whilst unfortunately some of the companies have not been successful, the value of the equity is estimated as R140.5m, representing a potential return of 89.1% or 13.59% annualised. In addition to the investment by the Evergreen Fund, UCT also acquires equity in companies in return for transferring IP to them and presently the value of equity associated with these IP transactions is estimated at R63.1m

The UTF PreSeed and Seed funding available to UCT was fully utilised during 2023 and may only be available when a next UTF fund is raised. Appreciating that this is a critical funding step for technology development, the IP Advisory Committee established a new fund, the “Evergreen Seed Fund”, to provide funding of up to R1.5m, using funds donated to the Evergreen Fund by alumni. Whilst the PreSeed and Innovation Builder Funds are grants, a return is expected for Evergreen Fund (and Seed) investments and typically equity will be received in a spin-off company to achieve this.

Student Housing Restricted Operations



The Student Housing unit is committed to meeting its financial obligations, ensuring long-term maintenance, and expanding student housing availability to enhance student access. Notably, total revenues experienced a 8.4% decrease, reaching R524.28 million. The unit reported a deficit of R49.65 million, which represents a further decline when compared to the deficit of R22.90 million recorded in 2022. The increase in deficit was primarily due to the lower residence fees, increase in the rental fee related to student accommodation, and increased catering costs due to increased SCM fees.

Statement of Cash Flows

In terms of the Statement of Cash Flows, the operations resulted in a net inflow of R217.94 million (compared to a net outflow of R223.5 million in 2022) for the year, representing an increase of 198% when compared to the previous year. Several factors contributed to this variance, including a substantial increase in cash received from research contracts amounting to R223 million, an indication of an increase of activity in the research space. Additionally, there was an increase in sale of goods and services by R317 million, primarily due to a general increase in hotel and short course revenue, as well as the settlement of the insurance claim in relation to the UCT fire. Furthermore, donations and gifts received increased by R276 million, mainly driven by the positive outcome resulting from fundraising initiatives.

Future Challenges – 2024 and beyond

Looking ahead to 2024 and beyond, several challenges continue to loom on the horizon. The economic outlook remains challenging, aligning with previous assessments. Notably, the anticipated changes in the state subsidy and tuition fee model may significantly impact UCT's financial results and position. However, the specific details and implications of these changes are yet to be published by the Department of Higher Education and Training (DHET).

Three key variables continue to have a substantial impact on UCT's financial sustainability. These variables are the state subsidy and tuition fees as income sources, as well as human resources planning and staffing models as expenditure factors. Furthermore, the decline in allocations from the state to the National Student Financial Aid Scheme (NSFAS), coupled with an increasing number of qualifying students, has necessitated changes to NSFAS funding criteria, resulting in a significant decline in per capita funding. This poses an additional challenge for UCT, given its large cohort of financial aid students.

To address these challenges, UCT initiated the development of a Financial Sustainability Plan in late 2019, encompassing a ten-year period with three to five-year medium-term forecasts and annual rolling plans. The plan's first phase was completed and submitted to the University Council in June 2022, followed by a Leadership Lekgotla workshop in October to initiate the development of an implementation plan. Subsequently, a Financial Sustainability Project Management Office was established, which is responsible to a Steering Committee chaired by the Vice-Chancellor and accountable to Council via the University Finance Committee. An external consultancy partner has been appointed via a tender process to support the work of the project office over the next three years. The anticipated impact of these initiatives is incorporated into the medium-term financial outlook.

Key Risks and Contexts

a) State Subsidies:

The state has been under severe pressure to meet its subsidy obligations and undertakings to the sector. In April 2021 we had an unexpected cut, and while the block grant had been protected for 2022, and as referred to previously, our allocation in 2023 was lower than that received in 2022. This has seriously impacted the growth trajectory for state funding in this model. In addition, with funding shortfalls expected at NSFAS, with annual increases that clearly do not account for the volume growth in students qualifying for funding, the DHET is likely to divert unspent funds to support NSFAS or we will see yet again NSFAS responding through changes in funding policies (see further note below on NSFAS).

b) Student Fees

The DHET Fee Regulation Task Team has been in existence for 6 years. Its work was severely disrupted by the COVID-19 pandemic as the DHET, and higher education institutions needed to focus on managing core functions under lockdown and pandemic restrictions. The task team reconvened in September 2021, given the DHET wanted to implement the framework for 2022. Following debate, it was accepted that this was not going to be possible and the DHET is now aiming for a 2025 implementation date. This will deal only with tuition fees, with residence fees to follow in due course. It is hard to comment on the timelines for implementation, but what is evident is that the framework will further limit our ability to increase fees.

c) NSFAS

While fee free higher education via NSFAS has meant the state covers the fees of more students who attend UCT, it has made us more reliant on the state in respect of our two primary income sources – state subsidy, and tuition and residence fees. With R1.72bn in subsidy expected in 2024, and roughly 50% of fees expected to be settled by NSFAS, a sizeable proportion of our recurrent revenue is aligned to the MTEF fortunes of the state.

d) Student Enrolment and Retention

UCT needs to continue to improve on its ability to recruit and enrol new students and improve on its throughput rates for students in the system. Several interventions aimed at improving retention/progression rates are already underway and others are being considered and evaluated. Ramping up the recruitment and enrolment of international students is also a specific focus area. These are key sustainability interventions that form part of the sustainability plan as well as Vision 2030.

e) Credit Load/Academic Workload

Work has continued reviewing and revising academic credits on courses and better understand the key costs of delivery to best inform key resource allocation decisions. The DVC Teaching & Learning and her team started work on this in 2020 with a view to curriculum reform. It is evident that we teach more credits than is required by frameworks and norms, and that these additional credits need staff to teach them and students to learn. This leads to overload of students and overload of staff. The work is ongoing and forms part of our financial sustainability initiatives.

f) Staffing:

The DHET and various other national higher education regulatory bodies have various staffing percentage benchmarks they refer to as being appropriate. Most are expressed as a percentage of total costs. In respect of our teaching and related budget for 2024, our total staffing and related costs are at 68.7% of total spend (and 72.2% of recurrent income). Benchmarks range between 55% to as high as 70%, with local institutions primarily in the 55% to 60% band. While we have operated at a high percentage for several years, unless we are able to improve our revenue outlook and delivery, we have little choice but to look at our operating costs in general and staffing costs in particular. Given the quantum and relative percentage spent on our staffing bill, it will be almost impossible to remain sustainable without reviewing human resource planning, staffing models or pay increases consistently at rates below inflation. This is a key subset of long term financial sustainability.

g) Council-Controlled Teaching and Related Operations bottom line:

The forecast period indicates a significant deficit for 2024, but thereafter, if our financial sustainability interventions gain the necessary traction and deliver on expectations, particularly an acceleration in reducing staffing costs, a turnaround is expected, with 2025 targeting break-even and 2026-2029 showing small surpluses.. However, small changes in the rates of increase for state subsidy, tuition fees and staffing can alter the bottom-line value materially in a noticeably short space of time.

Key is that the focus on improving retention and throughputs improves both state subsidy and tuition fee revenues, while getting the credit and workload model resolved, improve the ability of our staff to undertake research, but also reduce the need for additional staff.

Of note, specifically in relation to our projected free cash balance at the end of each year in the cycle, is that despite an improving annual surplus, this does not result in a recovery of cash depletion over this period, with a projected December closing balance of circa R400m from 2026 onwards. In effect, the operating surpluses from 2026 onwards together with the reduced net investment income is just sufficient to fund projected capital and strategic investments over the period, but not to replenish the cash reserves depleted during the 2022-2024 period

of significant operating deficits. Given what is modelled at present, the return of the free cash position to within the target range of 15% to 30% of recurrent operating costs for the majority of the periods in our annual cash cycle, will require a longer timeframe to achieve.

Despite these challenges, we maintain an optimistic outlook. Our track record of effective financial management and accurate forecasting, coupled with our strategic interventions outlined in our medium-term financial sustainability plan, instils confidence that UCT will successfully navigate the current economic landscape. Our plans are further supported by a well-tested university integrated financial plan.

Through these measures, we aim to uphold our commitment to excellence in teaching and research, ensuring that UCT remains at the forefront of academic achievement.



Reeza Isaacs CA (SA)
Chair: University Finance
Committee



Vincent Motholo CA (SA)
Chief Financial Officer

22 June 2024

COUNCIL'S STATEMENT OF RESPONSIBILITY FOR THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

The annual financial statements for the financial year 2023 presented on pages 87 to 159 have been prepared in accordance with International Financial Reporting Standards (IFRS) and the regulations gazetted by the Minister of Higher Education and Training in terms of the Higher Education Act, 1997, and include amounts based on judgements and estimates made by management as more fully laid out in the notes to the financial statements. The Council has also prepared other information as required to be included in this annual report and is responsible for both its accuracy and consistency with the annual financial statements.

The Council had adopted the going concern basis in the preparation of the annual financial statements. The Council has no reason to believe that the University of Cape Town is not a going concern in the foreseeable future based on forecasts and available cash resources. The Council believes that the financial statements confirm the viability of the institution.

The financial statements have been audited by PricewaterhouseCoopers (PwC) who have been given unrestricted access to all financial records and related data, including minutes of the meetings of Council and all its committees. Council believes that all representations made to the independent auditors during their audit were valid and appropriate. The annual financial statements set out on pages 87 to 159 were authorised for issue on 25 June 2024, in accordance with a resolution of the University Council on 22 June 2024, and are signed on its behalf by:



**Adv Norman
Arendse**

Chair: Council



**Ms Tshidi Mokgabudi
CA(SA)**

Chair: University Audit &
Risk Committee



**Mr Reeza Isaacs
CA(SA)**

Chair: University Finance
Committee



Prof Daya Reddy

Interim Vice-Chancellor



**Mr Vincent Motholo
CA(SA)**

Chief Financial Officer



UNIVERSITY OF CAPE TOWN

Compiled in terms of the Regulations for reporting by Public Higher Education Institutions published under Government Notice No R 464 of 9 June 2014.

Incorporated in terms of the Higher Education Act, 1997, and the Statute of The University of Cape Town, as published and gazetted on 24 January 2020 in Government Gazette No 41, in Government Gazette No 42967 and amended under Government Gazette No 45954, Government Notice No 1793 of 25 February 2022.

CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023



Independent auditor's report to the Council and the Minister of Higher Education, Science and Innovation on the University of Cape Town

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of the University of Cape Town and its subsidiaries (the group) set out on pages 95 to 159, which comprise the consolidated statement of financial position as at 31 December 2023, consolidated statement of comprehensive income, consolidated statement of other comprehensive income, statement of changes in fund balances and statement of cash flows for the year then ended, as well as notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the group as at 31 December 2023 and their financial performance and cash flows for the year then ended in accordance with the IFRS Accounting Standards and the requirements of the Higher Education Act and the Regulations for reporting by Public Higher Education Institutions, 2014, issued in terms of the Higher Education Act of South Africa, 1997.

Basis for opinion

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

We are independent of the group in accordance with the *Code of professional conduct for auditors* of the Independent Regulatory Board for Auditors (IRBA) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *International code of ethics for professional accountants (including International Independence Standards)*.

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

Responsibilities of the Council for the consolidated financial statements

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

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

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Chief Executive Officer: L S Machaba

The Company's principal place of business is at 4 Lisbon Lane, Waterfall City, Jukskei View, where a list of directors' names is available for inspection.
Reg. no. 1998/012055/21, VAT reg.no. 4950174682.



Responsibilities of the auditor for the audit of the consolidated financial statements

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

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

Report on the audit of the annual performance report

In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, we must audit and report on the usefulness and reliability of the reported performance against predetermined objectives for selected objectives presented in the annual performance report. The Council is responsible for the preparation of the annual performance report.

We selected the following objectives presented in the annual performance report for the year ended 31 December 2023 for auditing. We selected objectives that measure the university’s performance on its primary mandated functions and that are of significant national, community or public interest.

Objective	Page numbers	Purpose
Target: Student numbers	30-33	To meet university’s core objectives of teaching and learning
Target: Student success rates	34-35	
Target: Research outputs	36-38	

We evaluated the reported performance information for the selected objectives against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the university’s planning and delivery on its mandate and objectives.

We performed procedures to test whether:

- the indicators used for planning and reporting on performance can be linked directly to the university’s mandate and the achievement of its planned objectives
- the indicators are well defined and verifiable to ensure that they are easy to understand and apply consistently and that I can confirm the methods and processes to be used for measuring achievements
- the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated
- the indicators and targets reported on in the annual performance report are the same as what was committed to in the approved initial or revised planning documents



- the reported performance information is presented in the annual performance report in the prescribed manner
- there are adequate supporting evidence for the achievements reported and for the reasons provided for any over- or underachievement of targets.

We performed the procedures for the purpose of reporting material findings only; and not to express an assurance opinion.

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

- Target: Student numbers
- Target: Student success rates
- Target: Research outputs

Achievement of planned targets

The annual performance report includes information on reported achievements against planned targets and provides explanations for over- and underachievements. This information should be considered in the context of the material findings on the reported performance information.

The university plays a key role in delivering services to South Africans. The annual performance report includes the following service delivery achievements against planned targets:

Key service delivery indicators not achieved	Planned target	Reported achievement
Student numbers <i>Targets achieved: 97.1%</i>		
Planned headcount enrolment	29,884	29,031
Student success rates <i>Targets achieved: 93.5%</i>		
Graduates	7,858	7,348
Research outputs <i>Targets achieved: 98.8%</i>		
Research outputs	3,206	3,169

Reasons for the underachievement of targets are included in the annual performance report on pages 30 to 37.

Report on compliance with legislation

In accordance with the PAA and the general notice issued in terms thereof, we must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The Council is responsible for the university’s compliance with legislation.

We performed procedures to test compliance with selected requirements in key legislation in accordance with the AGSA findings engagement methodology. This engagement is not an assurance engagement. Accordingly, we do not express an assurance opinion or conclusion.



Through an established AGSA process, we selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the [type of auditee], clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.

The material findings on compliance with the selected legislative requirements, presented per compliance theme, are as follows:

Procurement and contract management

Some members of staff or employees did not in writing notify the public higher education institution concerned of any conflict or possible conflict of interest before such public higher education institution procured any goods or services from such member of staff or an organisation within which such member or employee held an interest, in contravention of section 34(4)(b) of the Higher Education Act.

Other information in the annual report

The Council is responsible for the other information. The other information comprises the information included in the "University of Cape Town Annual Report 2023". The other information does not include the consolidated financial statements, the auditor's report and those selected objectives presented in the annual performance report that have been specifically reported on in this auditor's report.

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

In connection with our audit, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements and the selected objectives presented in the annual performance report, or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

Internal control deficiencies

We considered internal control relevant to our audit of the consolidated financial statements, annual performance report and compliance with applicable legislation; however, our objective was not to express any form of assurance on it.

The matters reported below are limited to the significant internal control deficiencies that resulted in the material findings on compliance with legislation included in this report.

As per the "procurement and and contract management" paragraph above, findings were noted in relation to the process for declaration of interests. The testing performed by the audit team identified that the current processes in place at the university were not considered robust enough to identify every and all conflicts.



Other reports

We draw attention to the following engagements conducted by various parties which had, or could have, an impact on the matters reported in the university’s consolidated financial statements, reported performance information, compliance with applicable legislation and other related matters. These reports did not form part of our opinion on the financial statements or our findings on the reported performance information or compliance with legislation.

Investigations

The UCT Council commissioned an independent panel of investigation in the prior year to probe governance concerns at the institution. As disclosed in note 36 to the financial statements, the independent panel had reported various adverse findings based on their investigation. As at the current reporting date, the UCT Council has accepted the recommendations contained in the independent panel report and is pursuing the actions to take remedial action.

The findings of the independent panel included non-compliance with laws and regulations and failure of Council to act collectively on governance matters facing the institution. Some of the findings of the independent panel resulted in reportable irregularities being reported that are disclosed in note 36 to the financial statements.

Audit-related services and special audits: Agreed-upon procedures

Agreed-upon procedures on certificates will be performed for grants, other funding and similar items. Below is a list of the agreed-upon procedures engagements to be performed in relation to 2023 by ourselves. In this regard, PwC has been engaged to perform four agreed upon procedures which have been approved by Council. Additional agreed-upon procedures engagements were requested from other service providers.

Entity name/ engagement	Purpose of the engagement	Period covered
National Research Foundation	Agreeing a selection of expenditure to the Utilisation submitted to the National Research Fund	01 January - 31 December 2023
HEMIS DHET Student and Financial Data	Agreeing a sample of various information relating to the HEMIS submission to DHET	01 January - 31 December 2023
NCR Form 40	Agreeing the information in the Form 40 return to underlying records	01 January - 31 December 2023
Supplementary Financial Data and Performance/Status Indicators	Agreeing the information in the schedule to underlying records.	01 January - 31 December 2023

PricewaterhouseCoopers Inc.

PricewaterhouseCoopers Inc.
 Director: Duncan Adriaans
 Registered Auditor
 Stellenbosch, South Africa
 25 June 2024



Annexure to the auditor's report

The annexure includes the following:

- the auditor's responsibility for the audit
- the selected legislative requirements for compliance testing.

Auditor's responsibility for the audit

Professional judgement and professional scepticism

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

Financial statements

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

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the university's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made
- conclude on the appropriateness of the use of the going concern basis of accounting in the preparation of the financial statements. We also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the university and its subsidiaries to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements about the material uncertainty or, if such disclosures are inadequate, to modify our opinion on the consolidated financial statements. Our conclusions are based on the information available to us at the date of this auditor's report. However, future events or conditions may cause a university to cease operating as a going concern
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and determine whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.



Communication with those charged with governance

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

We also provide the Council with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to have a bearing on our independence and, where applicable, actions taken to eliminate threats or safeguards applied.

Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Public Audit Act	Section 14(2)(b)
Higher Education Act	Section 20(5) Section 27(7)(c) Section 27(7)(e) Section 27(7)(A) - (C) Section 34(4)(a) - (b) Section 34(5) Section 34(6) Section 40(3)(a)(i) – (iii) Section 41(1)(b)(ii)
Prevention and Combating of Corrupt Activities Act	Section 34(1)
Regulations for the Registration of Private Higher Education Institutions	Regulation 4(1) Regulation 4(2) Regulation 5(1) Regulation 5(2)(a)(d)(g)(m) Regulation 6(2)(d) Regulation 6(3)

UNIVERSITY OF CAPE TOWN
CONSOLIDATED ANNUAL FINANCIAL STATEMENTS
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023

	Note	2023 R'000	2022 R'000
ASSETS		16 789 150	15 436 208
Non-current assets		14 351 782	13 405 735
Property, plant and equipment	5	4 414 019	4 258 035
Right of use assets	20	219 936	265 400
Investments	6	9 651 396	8 829 482
Investments in associates	7	2 888	4 559
Loans receivable	8	31 203	33 390
Student loans receivable	27	32 340	14 869
Current assets		2 437 368	2 030 473
Inventories		1 306	1 405
Loans receivable	8	1 975	11 974
Accounts receivable and prepayments	9	488 388	503 473
Student fees receivable	9	352 491	310 232
Student loans receivable	27	5 851	312
Contract assets	17	7 605	10 027
Cash at bank and cash equivalents	10	1 579 752	1 193 050
ACCUMULATED FUNDS AND LIABILITIES		16 789 150	15 436 208
Accumulated funds		13 515 235	12 381 434
Non-distributable funds		5 716 020	5 063 532
Endowed funds		5 716 020	5 063 532
Restricted funds designated for specific activities		4 849 235	4 146 279
Education and general		5 069 793	4 317 185
Student and staff accommodation		(220 558)	(170 906)
Unrestricted Council-controlled funds		2 940 189	3 162 009
Non-controlling interests		9 791	9 614
Non-current liabilities		1 868 776	1 867 337
Deferred revenue	11	909 345	878 391
Interest-bearing borrowings	19	61 334	69 428
Employee benefit liabilities	12	727 070	721 840
Lease liabilities	20	171 027	197 678
Current liabilities		1 405 139	1 187 437
Accounts payable and accrued liabilities	13	674 825	611 852
Contract liabilities	17	49 587	64 158
Deferred revenue	11	320 961	190 139
Interest-bearing borrowings	19	7 878	7 878
Student deposits		149 937	143 703
Employee benefit liabilities	12	178 166	133 826
Lease liabilities	20	23 785	35 881

UNIVERSITY OF CAPE TOWN
CONSOLIDATED ANNUAL FINANCIAL STATEMENTS
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2023
(All amounts in R'000)

	Note	Council- Controlled Unrestricted	Specifically Funded Activities Restricted	Sub-total	Student and Staff Housing Restricted	Total	2022
Revenue		4 281 542	3 822 358	8 103 900	524 284	8 628 184	7 762 131
Subsidies and grants	14	1 851 780	316 021	2 167 801	-	2 167 801	2 244 434
Tuition and other fee income	17	1 554 282	-	1 554 282	477 308	2 031 590	2 005 385
Gross revenue		1 701 676	-	1 701 676	621 152	2 322 828	2 201 662
Council bursaries	21.1	(62 831)	-	(62 831)	(108 356)	(171 187)	(88 927)
Restricted bursaries	21.1	(84 563)	-	(84 563)	(35 488)	(120 051)	(107 350)
Income from contracts		-	1 772 827	1 772 827	-	1 772 827	1 549 342
Sale of goods and services	17	590 664	589 955	1 180 619	33 056	1 213 675	896 760
Donations and gifts		17 056	740 623	757 679	-	757 679	481 312
Sub-total		4 013 782	3 419 426	7 433 208	510 364	7 943 572	7 177 233
Interest	15	267 760	295 039	562 799	13 920	576 719	456 654
Dividends	15	-	107 893	107 893	-	107 893	128 244
Expenditure		4 661 933	2 908 467	7 570 400	709 113	8 279 513	7 371 621
Personnel costs	16	3 142 605	1 411 613	4 554 218	191 290	4 745 508	4 346 669
Other operating expenses	18	1 171 191	1 080 990	2 252 181	500 984	2 753 165	2 309 675
Expected credit losses	9	75 527	-	75 527	-	75 527	32 713
Financial aid and scholarships	21.1	83 775	286 383	370 158	-	370 158	322 716
Depreciation	5&20	163 657	129 052	292 709	16 839	309 548	330 233
Sub-total		4 636 755	2 908 038	7 544 793	709 113	8 253 906	7 342 006
Finance costs	28	25 178	429	25 607	-	25 607	29 615
Other income/(losses)		4 491	686 539	691 030	-	691 030	(309 689)
Income from associates	7	-	(1 497)	(1 497)	-	(1 497)	283
Profit/(loss) on disposal of property, plant & equipment		(687)	(4 122)	(4 809)	-	(4 809)	(2 343)
Fair value profit/(loss) on fair value through profit or loss financial instruments		5 178	692 158	697 336	-	697 336	(307 629)
NET OPERATING SURPLUS/(DEFICIT)		(375 900)	1 600 430	1 224 530	(184 829)	1 039 701	80 821
Transfers between funds	22.1	26 603	(161 780)	(135 177)	135 177	-	-
SURPLUS/(DEFICIT) FOR THE YEAR		(349 297)	1 438 650	1 089 353	(49 652)	1 039 701	80 821
Attributable to:							
University operations		(349 297)	1 438 473	1 089 176	(49 652)	1 039 524	81 359
Non-controlling interests		-	177	177	-	177	(538)

UNIVERSITY OF CAPE TOWN
CONSOLIDATED ANNUAL FINANCIAL STATEMENTS
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022

(All amounts in R'000)

	Note	Council- Controlled Unrestricted	Specifically Funded Activities Restricted	Sub-total	Student and Staff Housing Restricted	Total	2021
Revenue		3 901 668	3 288 096	7 189 764	572 367	7 762 131	7 053 925
Subsidies and grants	14	1 879 372	365 062	2 244 434	-	2 244 434	2 290 137
Tuition and other fee income	17	1 471 100	-	1 471 100	534 285	2 005 385	1 980 295
Gross revenue		1 623 405	-	1 623 405	578 257	2 201 662	2 180 394
Council bursaries	21.1	(67 709)	-	(67 709)	(21 217)	(88 927)	(70 738)
Restricted bursaries	21.1	(84 596)	-	(84 596)	(22 755)	(107 350)	(129 361)
Income from contracts		-	1 549 342	1 549 342	-	1 549 342	1 242 220
Sale of goods and services	17	324 972	544 180	869 152	27 608	896 760	696 769
Donations and gifts		4 434	476 878	481 312	-	481 312	417 682
Sub-total		3 679 878	2 935 462	6 615 340	561 893	7 177 233	6 627 103
Interest	15	221 790	224 390	446 180	10 474	456 654	319 539
Dividends	15	-	128 244	128 244	-	128 244	107 283
Expenditure		4 140 123	2 594 388	6 734 511	637 110	7 371 621	6 751 408
Personnel costs	16	2 843 518	1 320 838	4 164 356	182 313	4 346 669	4 029 001
Other operating expenses	18	974 937	896 504	1 871 441	438 234	2 309 675	1 922 763
Expected credit losses	9	32 713	-	32 713	-	32 713	19 347
Financial aid and scholarships	21.1	62 098	260 618	322 716	-	322 716	411 910
Depreciation	5&20	197 329	116 341	313 670	16 563	330 233	329 028
Sub-total		4 110 595	2 594 301	6 704 896	637 110	7 342 006	6 712 049
Finance costs	28	29 528	87	29 615	-	29 615	39 359
Other income/(losses)		(14 328)	(294 712)	(309 040)	(649)	(309 689)	1 069 666
Income from associates	7	-	283	283	-	283	513
Profit/(loss) on disposal of property, plant & equipment		(1 729)	63	(1 666)	(677)	(2 343)	(13 041)
Fair value profit/(loss) on fair value through profit or loss financial instruments		(12 599)	(295 058)	(307 657)	28	(307 629)	1 082 194
NET OPERATING SURPLUS/(DEFICIT)		(252 783)	398 996	146 213	(65 392)	80 821	1 372 183
Transfers between funds	22.1	131 107	(173 595)	(42 488)	42 488	-	-
SURPLUS/(DEFICIT) FOR THE YEAR		(121 676)	225 401	103 725	(22 904)	80 821	1 372 183
Attributable to:							
University operations		(121 676)	225 939	104 263	(22 904)	81 359	1 372 799
Non-controlling interests		-	(538)	(538)	-	(538)	(616)

UNIVERSITY OF CAPE TOWN
CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2023

(All amounts in R'000)

	Council- Controlled Unrestricted	Specifically- Funded Activities Restricted	Student and Staff Housing Restricted	Total
Surplus/(deficit) for the year	(349 297)	1 438 650	(49 652)	1 039 701
Other comprehensive income				
Other comprehensive income not to be reclassified to surplus or deficit in subsequent periods	94 100	-	-	94 100
Actuarial gains/(losses) on post-retirement medical aid benefit obligation	12.3 94 100	-	-	94 100
TOTAL COMPREHENSIVE INCOME/(LOSS)	(255 197)	1 438 650	(49 652)	1 133 801
Attributable to:	(255 197)	1 438 650	(49 652)	1 133 801
University operations	(255 197)	1 438 473	(49 652)	1 133 624
Non-controlling interests	-	177	-	177

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022

(All amounts in R'000)

	Council- Controlled Unrestricted	Specifically- Funded Activities Restricted	Student and Staff Housing Restricted	Total
Surplus/(deficit) for the year	(121 676)	225 401	(22 904)	80 821
Other comprehensive loss				
Other comprehensive loss not to be reclassified to surplus or deficit in subsequent periods	47 700	-	-	47 700
Actuarial gains/(losses) on post-retirement medical aid benefit obligation	12.3 47 700	-	-	47 700
TOTAL COMPREHENSIVE INCOME/(LOSS)	(73 976)	225 401	(22 904)	128 521
Attributable to:	(73 976)	225 401	(22 904)	128 521
University operations	(73 976)	225 939	(22 904)	129 059
Non-controlling interests	-	(538)	-	(538)

UNIVERSITY OF CAPE TOWN
CONSOLIDATED ANNUAL FINANCIAL STATEMENTS
CONSOLIDATED STATEMENT OF CHANGES IN FUND BALANCES
FOR THE YEAR ENDED 31 DECEMBER 2023
(All amounts in R'000)

		Non-distributable	Funds Restricted for Specific Activities		Unrestricted Funds	Non-controlling interests	Total
		Endowed Funds	Education and General	Student and Staff Housing	Council Controlled		
Opening fund balances		5 063 532	4 317 185	(170 906)	3 162 009	9 614	12 381 434
Total comprehensive income/(loss)		-	1 438 473	(49 652)	(255 197)	177	1 133 801
Surplus/(deficit) for the year		-	1 438 473	(49 652)	(349 297)	177	1 039 701
Other comprehensive income		-	-	-	94 100	-	94 100
Transfers between funds	22.2	652 488	(685 865)	-	33 377	-	-
Closing fund balances		5 716 020	5 069 793	(220 558)	2 940 189	9 791	13 515 235

CONSOLIDATED STATEMENT OF CHANGES IN FUND BALANCES
FOR THE YEAR ENDED 31 DECEMBER 2022
(All amounts in R'000)

		Non-distributable	Funds Restricted for Specific Activities		Unrestricted Funds	Non-controlling interests	Total
		Endowed Funds	Education and General	Student and Staff Housing	Council Controlled		
Opening fund balances		5 337 771	3 850 695	(148 002)	3 202 297	10 152	12 252 913
Total comprehensive income/(loss)		-	225 939	(22 904)	(73 976)	(538)	128 521
Surplus/(deficit) for the year		-	225 939	(22 904)	(121 676)	(538)	80 821
Other comprehensive loss		-	-	-	47 700	-	47 700
Transfers between funds	22.2	(274 239)	240 551	-	33 688	-	-
Closing fund balances		5 063 532	4 317 185	(170 906)	3 162 009	9 614	12 381 434

UNIVERSITY OF CAPE TOWN
CONSOLIDATED ANNUAL FINANCIAL STATEMENTS
CONSOLIDATED STATEMENT OF CASH FLOWS (RESTATED*)
FOR THE YEAR ENDED 31 DECEMBER 2023

		2023 R'000	2022 R'000 Restated*
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from students, government and private sources		7 470 403	6 600 498
Cash paid to employees and suppliers		(7 252 459)	(6 823 998)
Cash generated from / (utilised in) operations	25	<u>217 944</u>	<u>(223 500)</u>
Interest received		175 481	184 590
Finance costs		(25 607)	(29 615)
Net cash inflows/(outflows) from operating activities		<u>367 818</u>	<u>(68 525)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to property, plant and equipment	5	(438 815)	(465 185)
Proceeds on disposal of property, plant and equipment		13 938	26 200
Purchase of investments		(363 494)	(987 947)
Proceeds from sale of investments		750 409	1 180 110
Issue of loans receivable		-	(12 496)
Net cash inflows/(outflows) from investing activities		<u>(37 962)</u>	<u>(259 318)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment of principal portion of interest-bearing borrowings	23.9	(8 094)	(8 087)
Payment of principal portion of lease liabilities	23.9	(38 747)	(93 126)
Government grants received - Infrastructure Efficiency Grant	11	103 687	86 160
Net cash inflows/(outflows) from financing activities		<u>56 846</u>	<u>(15 053)</u>
Net increase/(decrease) in cash and cash equivalents		386 702	(342 896)
Cash and cash equivalents at the beginning of the year		1 193 050	1 535 946
Cash and cash equivalents at the end of the year	10	<u>1 579 752</u>	<u>1 193 050</u>

* Refer to note 32 for details of the restatement.

UNIVERSITY OF CAPE TOWN

CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

1. University information

The University of Cape Town was established in 1829 and is domiciled in South Africa. The University's registered address is Private Bag X3, Rondebosch, 7701, South Africa.

The consolidated annual financial statements of the University for the year ended 31 December 2023 were authorised for issue on 25 June 2024, in accordance with a resolution of Council.

The principal activities of the University relate to teaching, research and the provision of residential accommodation to students.

2. Basis of preparation

The consolidated annual financial statements have been prepared on a going concern and historical cost basis, except where stated otherwise (refer to note 4.8.2). The consolidated annual financial statements are presented in South African Rand and all values are rounded to the nearest thousand (R'000) except where otherwise indicated.

The accounting policies adopted are consistent with those of the previous financial year, except where the University has adopted the IFRS® amendments that became effective during the year.

2.1 New and Amended Standards and Interpretations

There were no amendments to IFRS® accounting standards that became effective for periods beginning on or after 1 January 2023 that had a material impact on the University.

2.2 IFRS® Amendments and IFRIC® Interpretations issued but not yet effective

As at 31 December 2023, there are no amendments that will result in a change in accounting policy.

2.3 Statement of compliance

The consolidated annual financial statements of the University of Cape Town and its related entities have been prepared in accordance with IFRS® accounting standards and in the manner required by the Minister of Higher Education and Training in terms of section 41 of the Higher Education Act 101 of 1997 (as amended).

The consolidated financial statements comprise the financial statements of the University and its related entities as at 31 December each year. The financial statements include the operations of the related entities listed in note 2.4.

UNIVERSITY OF CAPE TOWN
CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

2.4 Basis of consolidation

Entity	Nature of operations	Nature of ownership	Principal place of business
The University of Cape Town Foundation	A trust with the sole objective to receive, invest, and administer endowed donations, grants and bequests received on behalf of the University of Cape Town.	The University of Cape Town appoints the trustees and is the sole beneficiary.	Cape Town, South Africa
The UCT Lung Institute (Pty) Ltd	A company that addresses priority health issues through education, research and services.	A wholly owned subsidiary of the University of Cape Town.	Cape Town, South Africa
The Graduate School of Business Foundation	A trust set up to support the University of Cape Town, through its Graduate School of Business, including the provision of financial resources to facilitate the grant of scholarships, bursaries and awards.	A trust of which the University of Cape Town has appointed the trustees.	Cape Town, South Africa
UCT Foods Services (Pty) Ltd	A company with interests in the provision of food and catering services industry.	A wholly owned subsidiary of the University of Cape Town.	Cape Town, South Africa
Sports Science Share Block (Pty) Ltd	A company engaged in the operation of a share block scheme.	A private company where the University has appointed directors to the Board and has a 57% equity holding.	Cape Town, South Africa

The financial statements of related entities are consolidated from the date on which the University acquires effective control, up to the date that such effective control ceases. The University controls an entity when it is exposed or has rights to variable returns from its involvement with the entity and can affect those returns through its power over the entity.

The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the University controls another entity.

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree.

For each business combination, the University measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree’s identifiable net assets.

Acquisition costs incurred are expensed and included in administrative expenses. When there is a disposal or loss of control of a related entity, the consolidated financial statements would include the results for the part of the reporting period during which the University had control. Any difference between the net proceeds on disposal and the carrying amount of the subsidiary is recognised in the surplus for the respective period.

If the business combination is achieved in stages, the previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in surplus or deficit.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of *IFRS9: Financial Instruments*, is measured at fair value with changes in fair value recognised in profit or loss. All balances, transactions, unrealised gains and losses resulting from intra-University transactions, are eliminated in full.

The University re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the University gains control until the date the University ceases to control the subsidiary.

UNIVERSITY OF CAPE TOWN

CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

2.5 Segment information and accumulated funds

A segment is a recognised component of the University that is engaged in undertaking activities and providing services that are subject to risks and returns different from those of other segments. The segmentation presented in the financial statements is in terms of the guidelines prescribed by the Department of Higher Education and Training and is specifically not in terms of *IFRS8: Operating Segments*. The operating businesses are managed separately but fall under the oversight of the University of Cape Town's executive leadership.

2.5.1 Council-controlled unrestricted

The Council-controlled segment predominantly represents the teaching component of the University. Decision making rights relating to income earned in this segment rest with Council.

2.5.2 Specifically-funded activities restricted

The specifically-funded activities restricted segment consists mainly of research activities. Decision making rights over income earned and related expenses rest with researchers. Council retains an oversight role with regard to ensuring that expenditure is in accordance with the mandate received from funders and University policies.

2.5.3 Student and staff housing restricted

The student and staff housing segment relates to the provision of accommodation to both students and staff. The availability of this accommodation is a strategic initiative aimed at ensuring that students adopt the University as their preferred place of study and that the University is able to attract and retain appropriate staff.

2.5.4 Endowed funds income

Income from specific endowments, comprising investment income and realised profits arising from the sale of investments, is recognised in the Consolidated Statement of Comprehensive Income as designated for specific purposes in the period in which it accrues.

It is the University's policy to utilise only a portion of this income and to reinvest the unutilised portion in the underlying endowed funds in order to preserve the real value of the capital base.

2.6 Transfers between funds

Transfers between funds are reflected in two areas.

2.6.1 Operational transfers

The transfer of funds is required for operational purposes between the three main operational segments namely, Council-Controlled Unrestricted, Specifically-Funded Activities Restricted, and Student and Staff Housing Restricted. These transfers are reflected in the Consolidated Statement of Comprehensive Income.

2.6.2 Endowment related transfers

These transfers relate to transfers to or from the endowment as a result of its investment activities. The transfers are reflected in the Statement of Changes in Fund Balances.

UNIVERSITY OF CAPE TOWN

CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

3. Significant accounting judgements and estimates

The preparation of the University's consolidated annual financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at reporting date. However, uncertainty about these assumptions and estimates may result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

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

3.1 Judgements

3.1.1 Revenue from contracts with customers

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

Determining the timing of satisfaction of research services

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

Principal versus agent considerations

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

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

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

UNIVERSITY OF CAPE TOWN

CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

3.1.2 Investments

In assessing the control over investments, the purpose and design of the investments were considered, as well as the identification of the activities of the investee that significantly affect the returns of the investee, management identified how decisions about these activities are made and concluded on whether the University has the rights to direct these activities. In addition, consideration was given to whether or not the University is exposed, or has rights, to the variability associated with the returns of the investee and lastly management considered whether or not the University has the ability to use its own power of the investee to affect its own returns.

The University has determined that it has control over the entities listed in note 2.4. The University therefore controls the entities and consolidates them accordingly.

3.1.3 Provision for expected credit losses

The University uses a provision matrix to calculate expected credit losses (ECLs) for trade receivables and student fees receivable. The provision rates are based on days past due and historic default rates.

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

The assessment of the correlation between historically observed default rates, forecasted economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecasted economic conditions. The University's historical credit loss experience and forecast of economic conditions may also not be representative of students or customers' actual default in the future. The information about the ECLs on the University's trade receivables and student fees receivables is disclosed in note 9.

ECLs for loan receivables are based on management's best estimate of the recoverability of the loans at year end. Management anticipates formulating a provision matrix for the ECLs on student loans receivable once there is enough data to do so (student loans were introduced in the prior year and therefore there is insufficient collection data available at year end). The information about the ECLs on the University's student loan receivables is disclosed in note 27.

3.1.4 Leases

Where the University is a lessee, the lease term of contracts with renewal and termination options is determined as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

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

The University included the renewal period as part of the lease term for leases of buildings relating to student accommodation with shorter non-cancellable period (i.e. 1 to 3 years) and leases of buildings relating to research and academic activities. The University typically exercises its option to renew these leases because of the current shortage of student accommodation, and the negative impact to the University's core activities should academic and research buildings not be readily available. The renewal periods for leases of buildings relating to student accommodation with longer non-cancellable periods (i.e. greater than 3 years) are not included as part of the lease term as these are not reasonably certain to be exercised. The University has plans in place to acquire/construct buildings which will amply accommodate students in future and thus no further leases for student accommodation should be needed.

UNIVERSITY OF CAPE TOWN

CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

3.1.4 Leases (continued)

In addition, the renewal options for leases of motor vehicles are not included as part of the lease term because the University typically leases motor vehicles for not more than five years and, hence, is not exercising any renewal options. Furthermore, the periods covered by termination options are included as part of the lease term only when they are reasonably certain not to be exercised. Refer to note 20.

3.2 Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting 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 set out below.

3.2.1 Investments – judgements over fair value

Financial assets within the scope of *IFRS9: Financial Instruments: Recognition and Measurement* are classified as financial assets at fair value through profit or loss. Management determines the classification of its financial assets at initial recognition. When the fair value of investments recorded in the Consolidated Statement of Financial Position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques such as director's valuations based on recent equity transactions or discounted cash flows (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of estimates is required in establishing fair values. Estimates include considerations of inputs such as liquidity risk, credit risk and volatility. Additional details on these assumptions are provided in note 6.

3.2.2 Useful lives and residual values

At the end of each financial year management reviews property, plant and equipment to assess whether the estimated useful lives and estimated residual values applied to each asset are appropriate. The useful lives of assets are estimated by reviewing the degree to which assets are fully depreciated but still remain on the asset register and are in use. The University for the most part uses its asset until future rewards no longer accrue. Additional details on these assumptions are provided in note 4.6.

Typically, assets are assessed as having no residual value when calculating the depreciable amount because assets are of little value at the time they are sold or decommissioned.

3.2.3 Gratuity liability for academic staff

The University pays a gratuity to academic staff on retirement, retrenchment or death in special circumstances. In order to estimate the probability of incurring this liability, management make assumptions in respect of the number of academic staff that will reach retirement. In addition, to calculate the fair value of the liability the University needs to make assumptions regarding both expected future salary increases and a suitable discount rate. Additional details on these assumptions are provided in note 12.1.

3.2.4 Post-retirement medical aid benefits obligation

The University's future obligation in respect of post-retirement medical aid contributions is actuarially valued based on the projected unit credit method. For the purpose of the valuation at 31 December 2023, key assumptions were made in respect of the discount rate, expected inflation on medical aid contributions, expected age of retirements and mortality rates. Additional details on these assumptions are provided in note 12.3.

3.2.5 Student fees receivables

At year end management makes an estimate of the amount of total outstanding student fee debt that it expects to hand over to external debt collectors. In addition, management estimates the amounts that it expects to recover from outstanding balances handed over based upon the age profile of debts handed over. The estimate of current balances that may be handed over is based on outstanding balances at 31 December of the preceding year as a percentage of the total expected fees. The provision is therefore based on past write-off experience which has been analysed and updated with forward looking information, as well as the current year's performance. A provision for expected credit losses is raised based on these estimates. Refer to notes 3.1.3 and 9.

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3.2 Estimation uncertainty (continued)

3.2.6 Deferred revenue

The deferral of income necessitates a degree of judgement by management. For grants that relate to the purchase of assets, revenue is initially deferred and then released to income in equal annual amounts over the expected useful life of the relevant asset. The determination of the useful life of the asset requires estimation. For other non-commercial income, revenue is deferred to the extent that performance obligations have not yet been met. Deferred revenue is recognised in the Consolidated Statement of Financial Position.

4. Summary of significant accounting policies

4.1 Foreign currency translation

The consolidated annual financial statements are presented in South African Rand, which is the University's functional and presentation currency. Transactions in foreign currencies are initially recorded at the exchange currency rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the exchange currency rate ruling at the reporting date. All differences are taken to surplus or deficit in the year in which they arise.

Non-monetary items carried at cost are translated using the exchange rate at the date of the transaction, whilst assets carried at fair value are translated at the exchange rate when the fair value was determined.

When a gain or loss on a non-monetary item is recognised directly in other comprehensive income, any exchange component of that gain or loss shall be recognised directly in other comprehensive income. Conversely, when a gain or loss on a non-monetary item is recognised directly in surplus or deficit, any exchange component of that gain or loss shall be recognised directly in surplus or deficit.

4.2 Revenue recognition

The University has different revenue streams and the following specific recognition criteria must be met before revenue is recognised:

4.2.1 Subsidies and grants

State subsidies and grants for general purposes are recognised as income in the financial year to which they relate.

Subsidies and grants for specific research purposes are recognised as income in the financial year in which they accrue to the University in accordance with the relevant grants and agreements. Such subsidies and grants are presented separately in the Consolidated Statement of Comprehensive Income.

Subsidies and grants relating to specific expenses are not offset against the expense.

4.2.2 Donations and gifts

Such revenue arises from contracts which are not *IFRS15: Revenue from Contracts with Customers*. Donations and gifts received are included in the Consolidated Statement of Comprehensive Income in the period in which they are received.

4.2.3 Interest

Revenue is recognised as interest accrues, using the effective interest method which is the rate that discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset.

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4.2.4 Dividends

Dividends are recognised when the right to receive payment is established.

4.2.5 Revenue from contracts with customers

Revenue from contracts with customers relates to income not dealt with in 4.2.2 above. The University has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer other than in instances mentioned in 3.1.1 above.

4.2.5.1 Income from contracts

Revenue from research contracts is measured based on the contract value. Revenue is recognised as the performance obligations are fulfilled or milestones reached.

In determining the transaction price for the research contracts revenue, the University considers the effects of variable consideration. If the consideration in a contract includes a variable amount, the University estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer.

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer only when this right is conditional upon something other than the passage of time. If the University performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the University has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the University transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the University performs under the contract.

4.2.5.2 Tuition and other fee income

Tuition and residence fees charged are applicable to one academic and financial year and are recognised in that year. The University has assessed that the students simultaneously receive and consume the benefits provided within the year, as such revenue is recognised over time.

Scholarships, bursaries and other financial aid provided by the University to students for tuition and residence fees are recognised as a reduction of fees.

4.2.5.3 Income received for bursaries

Bursary income is measured based on the contract value and is recognised over time. Bursary income is reduced by the amount of bursaries where the University acts as an agent and not a principal. The University acts as an agent when the University merely administers the payment to the student. The University acts as a principal where eligible students are selected by the University or where a donor makes a selection out of a pool of eligible students.

4.2.5.4 Sale of goods and services

Revenue includes consulting services, short course fees, student society fees, hotel revenues, vacation accommodation and all other miscellaneous revenue. When the University is not able to reasonably measure the outcome of the obligation under the contract but expects to recover the costs incurred in satisfying the obligations to date, revenue shall be recognised only to the extent that expenses incurred are eligible to be recovered. Performance obligations include the transfer of ownership of the goods to the control of the customer or the provision of services and are either at a point in time or over time.

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4.3 Retirement benefits

4.3.1 Defined contribution retirement plan

Employer contributions to the University of Cape Town Retirement Fund are recognised in the Consolidated Statement of Comprehensive Income in the period during which the employees render services to the University.

4.3.2 Medical aid benefits

Employer contributions to a medical aid fund are recognised as an expense in the period during which the employees render services to the University.

4.4. Employee benefit liabilities

4.4.1 Gratuity liability for academic staff

This relates to the policy to pay a gratuity on death, retrenchment or retirement where a member of the academic staff has not taken study and research leave. Study and research leave may be granted to allow academic staff uninterrupted research work, usually away from Cape Town, and is not regarded as a vacation. The method used in determining the value of this provision is one where a discount rate is applied against projected valuations in order to establish a present value.

4.4.2 Leave liability for professional, administrative and support staff

An accrual is raised for the estimated liability for annual leave because of services rendered by professional, administrative and support staff as at the reporting date. The method used in determining the value of this provision is one where a discount rate is applied against projected valuations in order to establish a present value.

4.4.3 Defined benefit post-retirement medical aid obligation

The University has an obligation to provide certain post-retirement medical aid benefits to its eligible employees and pensioners. The University is required to provide a defined amount of the medical aid contribution due. The plan is not funded.

The present value of the future medical aid subsidies for current service costs is actuarially determined annually in accordance with *IAS 19: Employee Benefits*. The defined benefit obligation is calculated using the projected unit credit method, incorporating actuarial assumptions.

The liability is recognised at the reporting date. Any curtailment benefits or settlement amounts are recognised against income as incurred. Service costs comprising current service costs, past service costs and interest expense are recognised in surplus or deficit for the year when incurred.

The defined benefit liability is the present value of the defined benefit obligation. Actuarial gains and losses are recognised in the other comprehensive income in the year they arise.

4.4.4 Performance-linked rewards

An accrual is raised for the value of performance-linked rewards for the current year that will only be paid to staff in the subsequent year.

4.5 Library acquisitions

Library books and other library materials are expensed in the year in which they are acquired.

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4.6 Property, plant and equipment

Property, plant and equipment are initially recognised at cost. The cost of an asset comprises the purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to operate as intended by management.

Subsequently, property plant and equipment is stated at cost less accumulated depreciation and any provision for impairment. Subsequent costs are included in the asset's carrying amount or are recognised as a separate asset, as appropriate, only when it is probable that 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 expensed as incurred. Donated assets are initially recorded at fair value at the date of donation.

Land is not depreciated as it is deemed to have an indefinite useful life. Depreciation on assets under construction commences when the asset is ready for use.

Property, plant and equipment (excluding land and assets under construction) are depreciated on a straight-line basis estimated to write each asset down to its estimated residual value over the estimated useful lives

	2023	2022
Buildings	75-200 years	75-200 years
Leasehold improvements	Lease period	Lease period
Motor vehicles	15 years	15 years
Furniture and equipment	5-50 years	5-50 years
Computers, servers and network infrastructure	5-10 years	5-10 years

The residual values and useful lives of property, plant and equipment are reviewed, and adjusted if appropriate, at each financial year end. An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the surplus in the period in which the asset is derecognised.

4.7 Impairment of non-financial assets

The University assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the University makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount.

That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in surplus or deficit.

After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

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4.8 Financial assets and liabilities

Financial assets and financial liabilities, as disclosed in note 23.7 are initially recognised in the Consolidated Statement of Financial Position when the University becomes party to the contractual provisions of the instrument. The trade date method of accounting has been adopted for 'regular way' purchase or sale of financial assets. The trade date is the date that the University commits to purchase or sell an asset. A 'regular way' contract is a contract for the purchase or sale of financial assets that requires delivery of the assets within the time frame generally established by regulation or convention in the marketplace concerned.

With the exception of trade and student debtors that do not contain a significant finance component, the University initially measures financial assets and liabilities at fair value plus, in the case of a financial asset or 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 liability. Trade and student debtors that do not contain a significant financing component are measured at transaction price in accordance with *IFRS15: Revenue from Contracts with Customers* (refer to accounting policy 4.2.5). Financial assets are classified, at initial recognition as subsequently measured at fair value through profit or loss, fair value through other comprehensive income or amortised cost, as appropriate.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the University's business model for managing them.

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

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The University uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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

Level 1:

Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2:

Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3:

Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the University determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Fair-value related disclosures for financial instruments and non-financial assets that are measured at fair value or where fair values are disclosed, are summarised in note 23.7.

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4.8.1 Financial assets at amortised cost and receivables

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

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

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

Cash and cash equivalents are initially measured at fair value. They are subsequently measured at amortised cost. For the purpose of the Consolidated Statement of Cash Flows, cash and cash equivalents consist of cash on hand and balances at banks and short-term deposits.

4.8.2 Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model.

Debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Management is primarily focused on fair value information relating to its investments, which includes equity and debt instruments, and uses that information to assess the assets' performance and to make decisions. The business model is to manage and evaluate investments on a fair value basis, to hold investments for capital appreciation and to preserve the real value of the capital base. As a result, the University's investments have been classified at fair value through profit and loss with net changes in fair value recognised in the Consolidated Statement of Comprehensive Income.

This category includes derivative instruments, listed equity investments, collective investment schemes, unlisted equity investments, debt instruments such as government and corporate bonds, and money market deposits. Dividends on listed equity investments are also recognised as other income in the Consolidated Statement of Comprehensive Income when the right of payment has been established.

All derivative instruments of the University are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

4.8.3 Financial Liabilities

Financial liabilities comprise accounts payable, student deposits, lease liabilities, accrued liabilities and interest-bearing borrowings.

The University's financial liabilities are initially measured at fair value and subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in surplus or deficit when the liabilities are de-recognised as well as through the amortisation process.

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4.9 De-recognition of financial assets and liabilities

4.9.1 Financial Assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the University's Consolidated Statement of Financial Position) when:

The rights to receive cash flows from the asset have expired.

The University has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:

- a. The University has transferred substantially all the risks and rewards of the asset, or
- b. The University has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

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

4.9.2 Financial Liabilities

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

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

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

4.10 Impairment of financial assets at amortised cost

The University considers debtors in default when contractual payments are 60 days past due. The University recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For trade receivables and student fees receivables, the University applies a simplified approach in calculating ECLs. Therefore, the University does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The University has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. Financial asset at amortised cost are written off when there is no reasonable expectation of recovering the contractual cash flows.

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4.11 Investment in associates

The University's investments in associates are accounted for using the equity method of accounting. An associate is an entity over which the University has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but not control or jointly control these policies. If the University holds, directly or indirectly, 20% or more of the voting power of the investee, it is assumed that the University has significant influence unless it can be clearly demonstrated that this is not the case.

Under the equity method, the investment in the associate is initially recognised at cost and the carrying amount is increased or decreased to recognise the University's share of the surplus or deficit of the associate after the date of acquisition. The University's share of the surplus or deficit is recognised in the Consolidated Statement of Comprehensive Income.

If the University's share of losses of an associate equals or exceeds its interest in the associate, the University discontinues recognising its share of further losses.

After the University's interest is reduced to zero, additional losses are provided for, and a liability recognised only to the extent that the University has incurred legal or constructive obligations or made payments on behalf of the associate.

After application of the equity method, including recognising the associate's losses, the University determines whether it is necessary to recognise any additional impairment loss with respect to the University's net investment in the associate.

Where there has been a change recognised directly in the equity of the associate, the University recognises its share of any changes and discloses this, when applicable, in the Statement of Changes in Funds. Unrealised gains and losses resulting from transactions between the University and the associates are eliminated to the extent of the interest in the associate. The reporting dates of the associates and the University are identical and the associate's accounting policies conform to those used by the University for like-transactions and events in similar circumstances.

When the University ceases to equity account for an investment because of a loss of significant influence, any retained interest in the associate is remeasured to its fair value, with the change in carrying amount recognised in surplus or deficit. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate. In addition, any amounts previously recognised in other comprehensive income in respect of that associate are accounted for as if the University had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to surplus or deficit. If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to surplus or deficit where appropriate.

4.12 Inventories

Inventories are valued at the lower of cost and net realisable value. Net realisable value is the replacement cost of inventories.

Inventories are made up of consumables.

4.13 Leases

The determination of whether an arrangement is, or contains a lease, is based on the substance of the arrangement at inception date of; whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets, or the arrangement conveys a right to use the asset for a period of time in exchange for consideration.

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4.13.1 University as a lessee

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

Right of use assets

Right of use assets are measured at the commencement date of the lease, equal to the lease liability raised. Subsequently, the right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right of use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right of use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

	2023	2022
Buildings	3 to 47 years	3 to 47 years
Motor vehicles	14 months to 7 years	14 months to 7 years

If ownership of the leased asset transfers to the University at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Lease liabilities

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

In calculating the present value of lease payments, the University uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, i.e. a change in the lease term or a change in the lease payments.

Short term leases and leases of low value assets

The University applies the short-term lease recognition exemption to its short-term (one year or less) leases of property. It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

4.13.2 University as a lessor

Leases where the University does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Lease income from operating leases is recognised in income on a straight-line basis over the lease term. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rentals are recognised as revenue in the period in which they are earned.

4.14 Other expenditure

Other expenditure is expensed as incurred.

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5. Property, Plant and Equipment

Year ended 31 December 2023

(All amounts in R'000)

	Land, Buildings and Land Improvements	Furniture and Equipment	Computers and Hardware	Motor Vehicles	Assets Under Construction	Total
Carrying amount at 1 January 2023	3 069 721	917 860	217 515	30 574	22 365	4 258 035
Cost						
Cost 1 January 2023	3 553 310	1 547 999	524 853	57 046	22 365	5 705 573
Additions	146 314	166 803	109 046	3 221	13 431	438 815
Capitalisations	6 128	-	-	-	(6 128)	-
Disposals	(1 120)	(45 269)	(65 167)	(3 146)	0	(114 702)
Cost 31 December 2023	3 704 632	1 669 533	568 732	57 121	29 668	6 029 686
Accumulated depreciation and impairment						
Balance 1 January 2023	483 589	630 139	307 338	26 472	-	1 447 538
Disposals	(2 158)	(39 845)	(51 735)	(2 217)	-	(95 955)
Depreciation	62 441	115 369	82 363	3 911	-	264 084
Balance 31 December 2023	543 872	705 663	337 966	28 166	-	1 615 667
Carrying amount at 31 December 2023	3 160 760	963 870	230 766	28 955	29 668	4 414 019

A register of land and buildings is available for inspection at the business address. The University is not permitted to dispose of, or otherwise alienate, its land and buildings without the approval of the Minister of Higher Education and Training. In addition, there are further restrictions on the alienation of certain properties held by deed of grant under the Rhodes Will Act. The University's buildings and land improvements have an insured value of R38 billion (2022: R37.2 billion).

Land and buildings above include leasehold improvements with a net carrying amount of R178.1 million (2022: R182.5 million).

An immaterial portion of property, plant and equipment is leased to third parties. Refer to note 24.3 for further information.

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5. Property, Plant and Equipment (continued)

Year ended 31 December 2022

(All amounts in R'000)

	Land, Buildings and Land Improvements	Furniture and Equipment	Computers and Hardware	Motor Vehicles	Assets Under Construction	Total
Carrying amount at 1 January 2022	2 677 759	840 636	216 790	29 818	295 470	4 060 473
Cost						
Cost 1 January 2022	3 105 582	1 403 240	515 828	55 013	295 470	5 375 133
Additions	161 717	176 559	104 157	5 239	17 000	464 672
Capitalisations	290 105	-	-	-	(290 105)	-
Disposals	(4 094)	(31 800)	(95 132)	(3 206)	-	(134 232)
Cost 31 December 2022	3 553 310	1 547 999	524 853	57 046	22 365	5 705 573
Accumulated depreciation and impairment						
Balance 1 January 2022	427 823	562 604	299 038	25 195	-	1 314 660
Disposals	(3 185)	(30 460)	(69 514)	(2 530)	-	(105 689)
Depreciation	58 951	97 995	77 814	3 807	-	238 567
Balance 31 December 2022	483 589	630 139	307 338	26 472	-	1 447 538
Carrying amount at 31 December 2022	3 069 721	917 860	217 515	30 574	22 365	4 258 035

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6. Investments

LISTED INVESTMENTS	2023 R'000	2022 R'000
Local investments		
Equities	2 372 661	2 213 525
Mutual funds	12 739	-
Collective investment schemes	1 061 402	1 236 257
Capital market interest-bearing investments	1 203 908	1 127 600
International investments		
Mutual funds	133 228	102 593
Equity collective investment schemes	1 392 858	776 617
UNLISTED INVESTMENTS		
Local investments		
Mutual funds	205 798	179 262
Collective investment schemes	216 593	202 879
Capital market interest-bearing investments	976 508	853 558
Local money market and call deposits	774 601	612 303
Unlisted companies	64 433	58 239
International investments		
Mutual funds	725 803	547 813
Collective investment schemes	510 847	426 873
Money market and call deposits	17	491 963
TOTAL INVESTMENTS	9 651 396	8 829 482

No investments were pledged as security during the current or previous financial year.

Fair value hierarchy

As at 31 December 2023, the University held the above financial instruments measured at fair value. The University uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1:

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

Level 2:

Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3:

Techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

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6. Investments (continued)

All corporate bonds are considered to be classified as level 2 investments, with government bonds classified as level 1. All corporate and government bonds have been grouped in aggregate under local capital market interest-bearing investments. Derivative instruments are entered into with reputable financial institutions. The credit exposure of derivatives is subject to movements in the appropriate indices. The portfolio managers make limited use of futures and option contracts for hedging purposes to manage the equity exposure flexibly and cost effectively. This is done in order to achieve desired equity exposures.

Level 2 investments consist of money market and call deposits, corporate bonds, equity linked derivatives and some investments in collective investment schemes. Investments in money market and call deposits are deposits held with financial institutions. The fair values of these amounts reflect the time value of money. The money markets and call deposits do not meet the definition of cash and cash equivalents in terms of *IAS 7: Statement of Cash Flows*.

The fair values of the quoted notes and bonds are based on price quotations at the reporting date. The University enters into derivative financial instruments with various counterparties, principally financial institutions with investment grade credit ratings.

Level 3 unlisted equity investments were valued based on previous recent market transactions adjusted where necessary for significant changes to the business subsequent to the date of these transactions. As no reasonable change in these adjustments would give rise to a material impact on surplus or deficits, no sensitivities to these inputs have been presented.

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6. Investments (continued)

At 31 December 2023, the University held the following financial instruments measured at fair value:

	Total R'000	Level 1 R'000	Level 2 R'000	Level 3 R'000
Local investments				
Equity shares	2 372 661	2 372 661	-	-
Mutual funds	218 537	12 739	170 599	35 199
Collective investment schemes	1 277 995	1 061 402	216 593	-
Capital market interest-bearing investments	2 180 416	1 203 908	976 508	-
Money market and call deposits	774 601	-	774 601	-
Unlisted entities	64 433	-	-	64 433
International investments				
Mutual funds	859 031	133 228	725 803	-
Collective investment schemes	1 903 705	1 392 858	510 847	-
Money market and call deposits	17	-	17	-
Total	9 651 396	6 176 796	3 374 968	99 632

At 31 December 2022, the University held the following financial instruments measured at fair value:

	Total R'000	Level 1 R'000	Level 2 R'000	Level 3 R'000
Local investments				
Equity shares	2 213 525	2 213 525	-	-
Mutual funds	179 262	-	179 262	-
Collective investment schemes	1 439 136	1 236 257	202 879	-
Capital market interest-bearing investments	1 981 158	1 127 600	853 558	-
Money market and call deposits	612 303	-	612 303	-
Unlisted entities	58 239	-	-	58 239
International investments				
Mutual funds	650 406	102 593	547 813	-
Collective investment schemes	1 203 490	776 617	426 873	-
Money market and call deposits	491 963	-	491 963	-
Total	8 829 482	5 456 592	3 314 651	58 239

Reconciliation of Level 3 investments	2023	2022
	R'000	R'000
Balance at 1 January	58 239	59 951
Purchase	43 393	5 900
Fair value adjustment	(2 000)	(7 612)
Balance at 31 December	99 632	58 239

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7. **Investments in Associates**

The University has the following interests in associates:

Name of Associate	% interest	Nature of activities	Principal place of business
UCT Medical Centre (Pty) Ltd trading as UCT Private Academic Hospital	26	The University has an interest in the UCT Medical Centre (Pty) Ltd, which operates a private hospital.	Cape Town, South Africa
MariHealth Solutions (Pty) Ltd	30	MariHealth Solutions (Pty) Ltd is a marine biotech spin-off company.	Cape Town, South Africa
Hyplat (Pty) Ltd	0	Hyplat (Pty) Ltd is a specialist fuel cell technology company.	Cape Town and Johannesburg, South Africa

MariHealth Solutions (Pty) Ltd became fully operational during 2023. UCT's share in Hyplat (Pty) Ltd was diluted and UCT no longer has significant influence over the entity.

	2023			
	R'000			
	UCT Medical Centre (Pty) Ltd	MariHealth Solutions (Pty) Ltd	Hyplat (Pty) Ltd	Total
	(26%)	(30%)	(0%)	
Opening balance	4 385	-	174	4 559
Share of profit/(loss) for the prior year	-	(90)	-	(90)
Share of profit/(loss) for the year	(485)	(922)	-	(1 407)
Derecognition of associate	-	-	(174)	(174)
Carrying value	3 900	(1 012)	-	2 888

	2022			
	R'000			
	UCT Medical Centre (Pty) Ltd	Hyplat (Pty) Ltd		Total
	(26%)	(23%)		
Opening balance	3 998	278		4 276
Share of profit/(loss) for the year	387	(104)		283
Carrying value	4 385	174		4 559

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7. **Investments in Associates (continued)**

Summarised provisional financial information is set out below.

Associates' statements of financial position at 31 December:

	2023 R'000		2022 R'000	
	UCT Medical Centre (Pty) Ltd	MariHealth Solutions (Pty) Ltd	UCT Medical Centre (Pty) Ltd	Hyplat (Pty) Ltd
Non-current assets	36 798	110	36 799	4 252
Current assets	22 735	6 468	16 893	5 202
Non-current liabilities	(13 538)	(5 452)	(13 466)	-
Current liabilities	(30 997)	-	(23 364)	(8 688)
Net assets/(liabilities)	14 998	1 126	16 862	766
Equity	14 998	1 126	16 862	766
Share capital	20 000	4 500	20 000	1
Accumulated losses	(5 002)	(3 374)	(3 138)	765

Associates' revenue and losses for the year ended 31 December:

	2023 R'000		2022 R'000	
	UCT Medical Centre (Pty) Ltd	MariHealth Solutions (Pty) Ltd	UCT Medical Centre (Pty) Ltd	Hyplat (Pty) Ltd
Revenue	207 837	132	188 416	3 913
Cost of sales	(116 783)	-	(105 845)	(6)
Other income	796	434	793	24
Administrative expenses	(89 571)	(3 638)	(75 537)	(4 381)
Net finance costs	(4 269)	-	(3 327)	-
Profit/(loss) before tax	(1 990)	(3 072)	4 500	(450)
Income tax expense	126	-	(3 013)	-
Total comprehensive income for the year	(1 864)	(3 072)	1 487	(450)
University's share of profits/(losses)	(485)	(922)	387	(104)

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8. Loans Receivable

	2023	2022
	R'000	R'000
Non-current loans		
Loan to the Ukukhula Trust	1 645	3 998
Loans to Sports Science Share Block (Pty) Ltd shareholders	17 681	17 351
Loan to Inyosi Capital (Pty) Ltd	6 974	7 139
Loan to New Amalfi Technology Repair and Training (Pty) Ltd	4 903	4 902
	31 203	33 390
Current loans		
Loan to Cape BioPharms (Pty) Ltd	1 827	9 196
Loan to Hyplat (Pty) Ltd	-	2 731
Loan to Acino (Pty) Ltd	100	15
Loan to MariHealth (Pty) Ltd	-	32
Loan to Sleep Science Cape Town RF (Pty) Ltd	48	-
	1 975	11 974
Total loans	33 178	45 364

The loan to the Ukukhula Trust has no fixed terms of repayment and is not expected to be realised in the next 12 months. The loan earns interest at a weighted average rate of interest of 8.42% (2022: 5.69%). The loan is impaired with reference to the underlying market value of the shares held by the Ukukhula Trust. The amount disclosed is net of expected credit losses of R3.5m (2022: 0.1m).

The loans to Sports Science Share Block (Pty) Ltd shareholders relate to obligations by the shareholders to the share block company with regards to the property assets previously held by the share block. The loan does not bear interest, has no fixed terms of repayment and is not expected to be realised in the next 12 months. There was no significant increase in the credit risk of the loan, and as such management considers the loan to be fully recoverable and therefore no expected credit losses have been recognised at year end (2022: Rnil).

The loans to Inyosi Capital (Pty) Ltd and New Amalfi Technology Repair and Training (Pty) Ltd are interest-free BBBEE loans repayable at the earlier of 31 December 2027 or within 60 days of notice to repay the loan. At 31 December 2023 no notice of repayment have been issued and management does not intend to issue a notice of repayment within the next 12 months. During the previous financial year, the loans were reclassified from financial assets at fair value through profit or loss to financial assets at amortized cost, due to the change in the underlying nature of the assets. At year end, no impairment has been recognised (2022: Rnil) as there was no significant increase in the credit risk of these loans. Management deems the loans to be recoverable.

The loan to Cape Bio Pharms Ltd earns interest at a rate of prime plus 1% and was due on 31 December 2022. It is anticipated that the loan will be repaid during the course of 2024. Management is satisfied that concerted efforts towards repayments have been made in the current year, and therefore no expected credit losses have been recognised at year end (2022: Rnil).

The loans to Acinotech (Pty) Ltd and Sleep Science Cape Town RF (Pty) Ltd earn interest at a rate of prime with no set repayment terms. There has been no notable increase in factors that would affect their ability to settle the loans. Management considers the loans fully recoverable and therefore no expected credit losses have been recognised at year end (2022: Rnil).

The loan to Hyplat (Pty) Ltd earned interest at a rate of prime plus 1% and was converted to an equity holding in the company in February 2023.

The loan to MariHealth (Pty) Ltd was repaid during 2023.

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9. Accounts Receivable, Prepayments and Student Fees Receivable

	2023 R'000	2022 R'000
Research receivables	109 215	102 675
Other trade receivables	108 538	110 593
Total trade receivables	217 753	213 268
Property deposits and guarantees	506	506
Prepayments	73 387	102 039
National Research Foundation (NRF) accrual	70 361	85 007
Sundry receivables	126 381	102 653
Accounts receivables and prepayments	488 388	503 473
Student fees receivable	352 491	310 232
	840 879	813 705

Accounts receivables are non-interest-bearing and are generally settled on 30-day terms. The trade receivables total is net of the impairment provision, calculated using the expected credit losses method.

Sundry receivables consist primarily of amounts due from external third parties, which operate through UCT but do not form part of UCT's activities, of R14.0m (2022: R27.6m). Interest receivable amounts to R71.3m (2022: R52.2m).

The above total for accounts receivable and prepayments disclosed in note 23.7 excludes prepayments and property deposits, as these are not financial instruments as defined.

Trade receivables

As at 31 December, the age analysis of trade receivables is as follows:

Amounts in R'000	Up to 30 days	30 to 60 days	60 to 90 days	90 to 180 days	180 days plus	Total
Net receivable: 31 December 2023	69 436	66 397	17 863	43 706	20 351	217 753
Gross trade receivables	70 544	68 979	18 383	44 383	29 566	231 855
Provision for expected losses	(1 108)	(2 582)	(520)	(677)	(9 215)	(14 102)
Expected loss rate	1.57%	3.74%	2.83%	1.53%	31.17%	6.08%
Amounts in R'000	Up to 30 days	30 to 60 days	60 to 90 days	90 to 180 days	180 days plus	Total
Net receivable: 31 December 2022	99 189	43 870	20 942	33 209	16 058	213 268
Gross trade receivables	103 129	45 375	21 266	34 672	22 928	227 370
Provision for expected losses	(3 940)	(1 505)	(324)	(1 463)	(6 870)	(14 102)
Expected loss rate	3.82%	3.32%	1.52%	4.22%	29.96%	6.20%

The University considers debtors in default when contractual payments are 60 days past due. These are then individually considered for impairment. The trade receivables are grouped according to days outstanding in order to calculate the expected loss rate per grouping. See note 23.5 on credit risk of trade receivables, which explains how the University manages and measures credit quality of trade receivables.

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9. Accounts Receivable, Prepayments and Student Fees Receivable (continued)

At year end, trade receivables at a nominal value of R14.1 million (2022: R14.1 million) were impaired and fully provided for. Movements in the provision for expected credit losses of trade receivables were as follows:

	2023	2022
	R'000	R'000
Balance at 1 January	14 102	10 166
Charge for the year	-	3 936
Used	-	-
Balance at 31 December	14 102	14 102

Student fees receivable

The student fees receivable is net of the impairment provision. The rate of interest charged to students was a fixed rate of 1% (2022:1%) per month. This rate of interest is charged on prior year unpaid student fees and on current year outstanding student fees that are not paid by 30 June of the current year.

As at 31 December, the age analysis of student fees receivable, all of which are due, is as follows:

All amounts in R'000	2023 Fees	2022 Fees	2021 Fees	2020 and Older Fees	Total
Net receivable: 31 December 2023	281 043	49 253	15 771	6 424	352 491
Gross student fees receivable	326 044	123 132	63 085	81 417	593 678
Provision for expected losses	(45 001)	(73 879)	(47 314)	(74 993)	(241 187)
Expected loss rate	13.80%	60.00%	75.00%	92.11%	40.63%
All amounts in R'000	2022 Fees	2021 Fees	2020 Fees	2019 and Older Fees	Total
Net receivable: 31 December 2022	269 919	28 001	5 527	6 785	310 232
Gross student fees receivable	319 919	70 002	22 110	63 861	475 892
Provision for expected losses	(50 000)	(42 001)	(16 583)	(57 076)	(165 660)
Expected loss rate	15.63%	60.00%	75.00%	89.38%	34.81%

Due to the nature of its operations, the University tracks outstanding fees on an academic year basis. The University considers all prior years' outstanding fees as past due. The University anticipates that the majority of current year fees will be settled as part of the registration process for the 2024 academic year.

As at 31 December 2023, student receivables with a nominal value of R241.2 million (2022: R165.7 million) were impaired and fully provided for. The student fee receivable is grouped according to the year in which the fees were earned, in order to calculate the expected loss rate per grouping. Movements in the provision for expected credit losses of student fees receivables were as follows:

	2023	2022
	R'000	R'000
Balance at 1 January	165 660	141 031
Charge for the year	75 527	28 777
Used	-	(4 148)
Balance at 31 December	241 187	165 660

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10. Cash at Bank and Cash Equivalents

	2023 R'000	2022 R'000
Cash at bank and on hand	392 957	250 711
Local short-term bank deposits	1 186 795	942 339
	1 579 752	1 193 050

Cash at bank earns interest at floating rates based on daily bank deposit rates. Short-term deposits are redeemable at 24 hours' notice, are drawn down or added to depending on the immediate cash requirements of the University, and earn interest at the respective short-term deposit rates. The carrying amount of cash and cash equivalents approximates fair value.

At year end the University's cash was invested with institutions with the following long-term ratings:

		2023	2022
Standard Bank	Moody's	Baa3	Ba1
Absa Bank	Moody's	Baa3	Ba1
Grindrod Bank	GCR Ratings - an affiliate of Moody's	A-	BBB+

The weighted average effective interest rate on local short-term bank deposits was 8.46 % (2022: 5.81%).

11. Deferred Revenue

11.1 Government Grants

	2023 R'000	2022 R'000
Total government grants at 1 January	891 484	927 488
Received during the year	103 687	86 160
Released to the Statement of Comprehensive Income	(65 243)	(122 164)
Total government grants at 31 December	929 928	891 484
Current portion of government grants at 31 December	20 583	13 093
Non-current portion of government grants at 31 December	909 345	878 391

Government grants represent capital grants for infrastructure received from the Department of Higher Education and Training (DHET). These grants must be spent in accordance with the provisions of the projects as approved by the DHET.

11.2 Project Income

	2023 R'000	2022 R'000
Total project income at 1 January	177 046	275 347
Received during the year	244 614	121 282
Released to the Statement of Comprehensive Income	(121 282)	(219 583)
Total project income at 31 December	300 378	177 046
Current portion of project income at 31 December	300 378	177 046
Non-current portion of project income at 31 December	-	-

The deferred project income relates to the deferment of income not relating to government grants, e.g. research contracts.

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12. Employee Benefit Liabilities

	2023		Total
	Current	Non-current	
	R'000		
Gratuity liability for academic staff	11 720	85 815	97 535
Leave liability for professional, administrative and support staff	96 719	121 755	218 474
Post-retirement medical aid benefit obligation	29 800	519 500	549 300
Performance-linked rewards liability	39 927	-	39 927
Total employee benefit liabilities	178 166	727 070	905 236

	2022		Total
	Current	Non-current	
	R'000		
Gratuity liability for academic staff	7 935	59 726	67 661
Leave liability for professional, administrative and support staff	96 191	114 114	210 305
Post-retirement medical aid benefit obligation	29 700	548 000	577 700
Total employee benefit liabilities	133 826	721 840	855 666

12.1 Gratuity Liability for Academic Staff

The University has a policy to pay a gratuity on death, retrenchment or retirement where a member of the academic staff has not taken study and research leave. Study and research leave may be granted to allow academic staff uninterrupted research work, usually away from Cape Town, and is not regarded as a vacation.

In estimating the liability, management has calculated the projected credit unit number of leave days by using a 10-year average.

In addition, in order to fairly value the liability, management has assumed price inflation will be 7.5% (2022: 7.4% per annum), while the discount rate that has been applied is 13.4% (2022: 12.8%).

A one percentage point change in the assumed rate of increase in price inflation and discount rate would have the following effect on the obligation:

	2023		2022	
	R'000	R'000	R'000	R'000
	1%	-1%	1%	-1%
Change in liability - price inflation	4 885	(18 003)	6 619	(5 735)
Change in liability - discount rate	(18 003)	4 885	(5 735)	6 619

Reconciliation of the change in the present value of the obligation:

	2023	2022
	R'000	R'000
Obligation at the start of the year	67 661	77 510
Movement through profit and loss	31 565	(8 769)
Leave paid out	(1 691)	(1 080)
Obligation at the end of the year	97 535	67 661

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12.2 Leave Liability for Professional, Administrative and Support Staff

An accrual is made for the estimated liability for annual leave because of services rendered by professional, administrative and support staff up to reporting date.

In estimating the liability, management has calculated the projected credit unit number of leave days by using a 10-year average.

Reconciliation of the change in the present value of the obligation:

	2023	2022
	R'000	R'000
Obligation at the start of the year	210 305	201 217
Movement through profit and loss	46 749	30 411
Leave paid out	(38 580)	(21 323)
Obligation at the end of the year	218 474	210 305

12.3 Post-Retirement Medical Aid Benefit Obligation

The University's obligations towards post-retirement medical aid benefits, determined in terms of IAS 19: *Employee Benefits*, are set out below.

For the purpose of the valuation at 31 December the following key assumptions were made; discount rate 13.4% (2022: 12.8%); expected inflation on medical aid contributions of 9.5% (2022: 9.6%). Post retirement mortality is based on PA (90) ultimate mortality tables rated down three years (2022: three years).

It is assumed, in both the current and prior year, that 2.5% of present members will retire at each age from 55 to 59 and ages 61 and 62; and 15% of members will retire at age 60; and 10% of members at ages 63 and 64 will retire; with all the remaining members retiring at age 65. The expected average remaining working lives of the employees participating in the scheme is 17 years (2022: 15 years).

A one percentage point change in the assumed rate of increase in medical aid inflation would have the following effect on the defined benefit obligation:

	2023		2022	
	R'000	R'000	R'000	R'000
	1%	-1%	1%	-1%
Liability	67 100	(56 200)	74 300	(61 900)
Service cost	2 800	(2 300)	3 700	(2 900)
Interest cost	9 400	(7 800)	9 900	(8 300)

A 50-basis point change in the discount rate would have the following effect on the defined benefit obligation:

	2023		2022	
	R'000	R'000	R'000	R'000
	0.5%	-0.5%	0.5%	-0.5%
Liability	(29 400)	32 300	(32 500)	35 900

The estimated liability for the current and previous four periods is as follows:

	2023	2022	2021	2020	2019
Liability	549 300	577 700	563 700	484 400	487 800

The following payments are expected contributions to be made in the future years out of the defined benefit plan obligation, funded from the general operating budget :

	2023	2022
	R'000	R'000
Within the next 12 months	29 800	29 700
Beyond 12 months	519 500	548 000
Total liability	549 300	577 700

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12.3 Post-Retirement Medical Aid Benefit Obligation (continued)

The net expense recognised in profit and loss is as follows:

	2023	2022
	R'000	R'000
Expenses in the income statement	93 600	86 100
- Interest on obligation	74 500	66 100
- Current service cost	19 100	20 000
(Gains)/losses in the statement of other comprehensive income	(94 100)	(47 700)
- Actuarial (gains)/losses due to changes in experience	(48 000)	(3 600)
- Actuarial (gains)/losses due to changes in financial assumptions	(46 100)	(44 100)

Reconciliation of the change in the present value of the defined benefit obligation:

	2023	2022
	R'000	R'000
Defined benefit obligation at the start of the year	577 700	563 700
Interest on obligation	74 500	66 100
Current service cost	19 100	20 000
Actuarial (gains)/losses	(94 100)	(47 700)
Benefits paid in respect of funding obligations	(27 900)	(24 400)
Defined benefit obligation at the end of the year	549 300	577 700

12.4 Performance-linked rewards liability

An accrual is raised for the value of performance-linked rewards for the current year that will only be paid to staff in the subsequent year.

Reconciliation of the change in the present value of the obligation:

	2023	2022
	R'000	R'000
Obligation at the start of the year	-	36 680
Movement through profit and loss	39 927	34 498
Rewards paid out	-	(71 178)
Obligation at the end of the year	39 927	-

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13. Accounts Payable and Accrued Liabilities

	2023 R'000	2022 R'000
Trade payables	294 258	238 480
Accrued expenses	117 550	79 101
National Research Foundation grant deposit	46 400	79 701
Payroll liabilities	109 300	114 196
Other payables	107 317	100 374
	674 825	611 852
Financial liabilities	643 168	578 212
Non-financial liabilities	31 657	33 640
	674 825	611 852

Trade and other payables are non-interest-bearing and are normally settled on 30-day terms.

The National Research Foundation (NRF) grant deposit is based on the expenditure claim rate against grants, awarded to grant holders at the University and is given to bridge the financing of NRF funded research projects. Regular expenditure claims ensure the preservation of the capital of the grant deposit and the interest earned from this investment supports the administration and management of NRF-RISA research funding by the University.

Other payables consist primarily of amounts due to external third parties, which operate through UCT but do not form part of UCT's activities. At year end the balance amounted to R105.7m (2022: R87.8m).

14. Subsidies and Grants

	Note	2023 R'000	2022 R'000
Subsidy for general purpose		1 771 009	1 823 151
State grants and contracts		331 549	299 119
State grants and contracts - release of deferred revenue	11	65 243	122 164
		2 167 801	2 244 434

There are no unfulfilled conditions or other contingencies attached to the subsidies and grants that have been recognised above.

15. Interest and Dividends

	2023 R'000	2022 R'000
Interest calculated using the effective interest rate method		
Interest on cash at bank and deposits	93 215	73 945
Interest income on student fee receivables	80 314	67 930
Interest income on other receivables	2 050	42 722
	175 579	184 597
Other interest		
Interest on investments	401 140	272 057
	401 140	272 057
Total interest	576 719	456 654
Dividends earned in respect of investments	107 893	128 244
Total interest and dividends	684 612	584 898

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16. Personnel Costs

All amounts in R'000	2023		
	Academic Professionals	Other	Total
Wages and salaries	1 693 378	2 268 761	3 962 139
Termination benefits	48 899	69 447	118 346
UCT Retirement Fund provident fund costs	246 861	320 907	567 768
Other provident and pension fund costs	-	3 655	3 655
Post-retirement medical aid benefits	40 847	52 753	93 600
	2 029 985	2 715 523	4 745 508

All amounts in R'000	2022		
	Academic Professionals	Other	Total
Wages and salaries	1 548 591	2 141 085	3 689 676
Termination benefits	-	34 735	34 735
UCT Retirement Fund provident fund costs	227 213	303 852	531 065
Other provident and pension fund costs	-	5 093	5 093
Post-retirement medical aid benefits	36 837	49 263	86 100
	1 812 641	2 534 028	4 346 669

Average number of persons employed during the year:

	2023	2022
Full time	5 672	5 636
Part time	2 198	1 848
Students	1 756	1 735
Total	9 626	9 219

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17. Revenue from Contracts with Customers

	2023	2022
	R'000	R'000
Tuition and other fee income	2 031 590	2 005 385
Gross tuition income	1 701 676	1 623 405
Gross residence income	621 152	578 257
Council bursaries	(171 187)	(88 927)
Restricted bursaries	(120 051)	(107 350)
Income from commercial research contracts	40 074	58 971
From contracts concluded in the current year	24 853	32 159
From contracts concluding within 12 months	7 108	8 822
From contracts concluding in more than 12 months	8 113	17 990
Sale of goods and services	1 213 675	896 760
Residence levies	17 499	15 712
Club and society subscriptions	5 173	4 035
Hotel revenue	171 093	123 736
Short course fees	192 667	157 332
Parking revenue	6 384	3 729
Rent received	21 580	18 674
Vacation accommodation	16 598	11 327
Sales revenue	20 486	18 159
Other income	762 195	544 056
Total revenue from contracts with customers	3 285 339	2 961 116
Over time	3 264 853	2 942 957
Point in time	20 486	18 159

The reconciliation of contract assets and liabilities has been set out below:

	2023		2022	
	R'000		R'000	
	Contract Assets	Contract Liabilities	Contract Assets	Contract Liabilities
Opening balance	10 027	(64 158)	9 367	(68 635)
Amounts received	5 262	(20 241)	2 726	(51 768)
Amounts utilised	(7 684)	34 812	(2 066)	56 245
Closing balance	7 605	(49 587)	10 027	(64 158)

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18. Other Operating Expenses

The following items are included in other operating expenses:

	2023	2022
	R'000	R'000
Computer consumables	68 584	74 508
Consulting costs	351 350	354 682
Laboratory materials and services	190 677	182 774
Library acquisitions	125 271	107 875
Repairs and maintenance	296 014	260 727
Software costs	95 788	59 299
Water, electricity, rates and sewerage	279 293	234 471
Insurance costs	38 368	35 015
Safety and security services	67 430	66 566
Property leases	117 584	50 521
Travel and related costs	271 388	185 914
Hotel operating expenses	121 556	102 076
	2 023 303	1 714 428
Other expenses	729 862	595 247
Total other operating expenses	2 753 165	2 309 675

19. Interest-Bearing Borrowings

	2023	2022
	R'000	R'000
Non-current borrowings		
Development Bank of South Africa	61 122	69 000
Sunlyn	212	428
	61 334	69 428
Current borrowings		
Development Bank of South Africa	7 878	7 878
Total borrowings	69 212	77 306

Interest-bearing loans are held to maturity at amortised cost.

The loan from the Development Bank of South Africa (DBSA) has been used to finance capital infrastructural development and is unsecured.

The first drawdown of R96 million is for a period of fifteen years and bears interest at a variable rate of 1-month JIBAR plus 2.2% per annum. The loan is repayable over a period of 168 monthly instalments, which commenced 31 October 2018, the last of which is due on 30 September 2032. The second drawdown of R14 million is for a period of thirteen and a half years and bears interest at a variable rate of 1-month JIBAR plus 2% per annum. The loan is repayable over a period of 162 monthly instalments, which commenced on 31 March 2019, the last of which is due on 30 September 2032.

The following debt covenants apply to the DBSA loan:

- The debt service ratio shall be more than 1.25.
- Written consent should be requested from DBSA before the University takes up any additional debt if the total debt to income ratio exceeds 50%.

	2023	2022
		Restated*
Debt service ratio	20.27	17.29
Total debt to income ratio	0.8%	1.0%

* The incorrect computation of the total debt to income ratio in the prior year has been corrected to accurately reflect the correct ratio of 1% instead of 39%. This correction had no impact on the primary statements.

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20.2 Lease Liabilities

Set out below are the carrying amounts of lease liabilities and the movements during the period:

	2023	2022
	R'000	R'000
As at 1 January	233 559	333 474
Interest	17 801	23 685
Payments	(56 548)	(116 811)
Terminations	-	(6 789)
As at 31 December	194 812	233 559
Non-current portion	171 027	245 142
Current portion	23 785	88 332
	194 812	333 474

The maturity analysis of lease liabilities is disclosed in Note 23.6.

20.3 Amounts recognised in profit and loss

The following are the amounts recognised in profit or loss relating to leases:

	2023	2022
	R'000	R'000
		Restated*
Income from subleasing right-of-use assets	(110)	(79)
Depreciation expense of right-of-use assets	45 464	91 666
Interest expense on lease liabilities	17 801	23 685
Expense relating to short-term leases*	117 584	50 521
Expense relating to leases of low-value assets	2 258	2 838
Total amount recognised in profit or loss	182 997	168 631

* The incorrect figure for expenses relating to short-term leases in the prior year has been corrected to accurately reflect the correct amount of R50 521 000 instead of R261 000. This correction had no impact on the primary statements.

20.4 Extension and termination options

The University has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the University's business needs. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised (see Note 3.1.4).

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

	2023		
	Within 5	More than 5	Total
	years	years	
	R'000	R'000	R'000
Extension options expected not to be exercised	-	3 483 819	3 483 819
	2022		
	Within 5	More than 5	Total
	years	years	
	R'000	R'000	R'000
Extension options expected not to be exercised	-	3 483 819	3 483 819

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21. Bursaries, financial aid and scholarships

21.1 UCT expenses

	2023 R'000			2022 R'000		
	Under-graduate	Post-graduate	Total	Under-graduate	Post-graduate	Total
Council-Controlled Un-restricted	170 295	84 666	254 961	52 652	98 372	151 024
Specifically-Funded Activities Restricted	78 992	327 443	406 435	79 515	288 454	367 969
	249 287	412 109	661 396	132 167	386 826	518 993

The above expenses have been disclosed in the consolidated income statement as follows:

	2023 R'000			2022 R'000		
	Under-graduate	Post-graduate	Total	Under-graduate	Post-graduate	Total
Offset against tuition income	174 940	116 298	291 238	82 862	113 415	196 277
Financial aid and scholarship expenses	74 347	295 811	370 158	49 305	273 411	322 716
	249 287	412 109	661 396	132 167	386 826	518 993

21.2 External bursaries, financial aid and scholarships

Relating to bursaries, financial aid and scholarships awarded to students where UCT acts as an agent between the external donor and the student.

	2023 R'000			2022 R'000		
	Under-graduate	Post-graduate	Total	Under-graduate	Post-graduate	Total
National Student Financial Aid Scheme (NSFAS)	655 932	-	655 932	984 465	-	984 465
Other external donors	360 111	13 059	373 170	317 163	6 011	323 174
	1 016 043	13 059	1 029 102	1 301 628	6 011	1 307 639

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22. Transfers

22.1 Transfers in the Consolidated Statement of Comprehensive Income

	2023 R'000			
	Council- Controlled Unrestricted	Specifically- Funded Activities Restricted	Student and Staff Housing Restricted	Total
Research levies	68 348	(68 348)	-	-
Transfers of project costs	(17 953)	26 620	(8 667)	-
Transfer required due to <i>IFRS15</i> treatment of bursaries	(23 792)	(120 052)	143 844	-
	26 603	(161 780)	135 177	-

	2022 R'000			
	Council- Controlled Unrestricted	Specifically- Funded Activities Restricted	Student and Staff Housing Restricted	Total
Research levies	60 684	(60 684)	-	-
Transfers of project costs	(10 255)	11 739	(1 484)	-
Transfers for software costs	17 300	(17 300)	-	-
Transfer required due to <i>IFRS15</i> treatment of bursaries	63 378	(107 350)	43 972	-
	131 107	(173 595)	42 488	-

The transfer relating to the *IFRS15: Revenue from Contracts with Customers* treatment of bursaries is necessary as the standard requires that bursaries that offset tuition/housing costs be offset against tuition/housing income, and not be disclosed as expenses. However, as all tuition income is Council-controlled and all housing income is Student and Staff Housing Restricted, the portion of specifically-funded activities' bursaries that are offset against tuition/housing income represents a transfer of expenses from specifically-funded activities to Council-controlled and Student and Staff Housing Restricted, and this transfer incorporates this impact.

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22.2 Transfers in the Consolidated Statement of Changes in Fund Balances

	2023			
	R'000			
	Endowed Funds	Education and General	Council- Controlled	Total
Transfer of UCT Foundation profit	652 488	(652 488)	-	-
Transfer of endowed interest related to Council activities	-	(33 377)	33 377	-
	652 488	(685 865)	33 377	-

	2022			
	R'000			
	Endowed Funds	Education and General	Council- Controlled	Total
Transfer of UCT Foundation loss	(274 239)	274 239	-	-
Transfer of endowed interest related to Council activities	-	(33 688)	33 688	-
	(274 239)	240 551	33 688	-

23. Financial Risk Management Objectives and Policies

The University's principal financial instruments comprise equities and debt instruments measured at fair value through profit or loss, accounts receivables, student fee receivables, loans receivable, cash and cash equivalents, accounts payable, interest-bearing borrowings and accrued liabilities. The University manages a substantial portfolio of financial assets with a long-term view to growing the portfolio in order to provide financial stability and support for new initiatives and strategic choices.

The University may enter into derivative transactions. The University's portfolio managers make limited use of futures and option contracts for hedging purposes only to manage the equity exposure flexibly and cost effectively. This is done in order to achieve desired equity exposures. Forward exchange contracts may be entered into to mitigate risks relating to transactional currency exposures.

The main risks arising from the University's financial instruments are market, credit and liquidity risks. The Council, through its Finance and Joint Investment Committees, reviews and agrees policies for managing each of these risks which are summarised below.

23.1 Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: price, currency and interest rate risk.

The University's exposure to market risk relates primarily to its investments which are measured at fair value through profit or loss. These financial assets are invested in terms of a considered strategy adopted by the University Council and the Board of Trustees of the UCT Foundation, advised by the Joint Investment Committee. The strategy takes into account the risk profile of the individual endowed funds and allocates investments to appropriate asset classes. Portfolios are then allocated to selected portfolio managers who operate under defined mandates. The investment decisions made and performances of these managers are closely monitored by the Joint Investment Committee.

The Joint Investment Committee comprises trustees of the Foundation, members of the University's Council and external members with specific expertise relating to investments. The Joint Investment Committee meets quarterly and receives reports from investment managers on a cyclical basis.

In addition, the Joint Investment Committee has employed the services of an actuarial firm, Sukha & Associates, who monitor the performance of the portfolio managers, both on a qualitative and quantitative basis, and who also report quarterly to the Joint Investment Committee. These reports are also distributed to the Foundation trustees. Internal checks are performed regarding the income received and the purchase and sale of investments as reflected on the portfolio statements.

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23.2 Price Risk

The following table demonstrates the sensitivity of the University's financial assets that are subject to price risk to a reasonable possible change in market values, with all other variables held constant. Refer to note 6 for the fair values of the various investment types.

All amounts in R millions	Impact of these variances on surplus or deficit						
	10%	5%	1%	-5%	-10%	-20%	-30%
At 31 December 2023							
Local equities	237.3	118.6	23.7	(118.6)	(237.3)	(474.5)	(711.8)
Local collective investment schemes	127.8	63.9	12.8	(63.9)	(127.8)	(255.6)	(383.4)
Local mutual funds	21.9	10.9	2.2	(10.9)	(21.9)	(43.7)	(65.6)
Local capital markets	218.0	109.0	21.8	(109.0)	(218.0)	(436.1)	(654.1)
Local unlisted equity investments	6.4	3.2	0.6	(3.2)	(6.4)	(12.9)	(19.3)
International mutual funds	85.9	43.0	8.6	(43.0)	(85.9)	(171.8)	(257.7)
International collective investment schemes	190.4	95.2	19.0	(95.2)	(190.4)	(380.7)	(571.1)
	887.7	443.8	88.7	(443.8)	(887.7)	(1 775.3)	(2 663.0)

All amounts in R millions	Impact of these variances on surplus or deficit						
	10%	5%	1%	-5%	-10%	-20%	-30%
At 31 December 2022							
Local equities	221.4	110.7	22.1	(110.7)	(221.4)	(442.7)	(664.1)
Collective investment schemes	143.9	72	14.4	(72.0)	(143.9)	(287.8)	(431.7)
Local mutual funds	17.9	9	1.8	(9.0)	(17.9)	(35.9)	(53.8)
Local capital markets	198.1	99.1	19.8	(99.1)	(198.1)	(396.2)	(594.3)
Local unlisted equity investments	5.8	2.9	0.6	(2.9)	(5.8)	(11.6)	(17.5)
International mutual funds	65	32.5	6.5	(32.5)	(65.0)	(130.1)	(195.1)
International collective investment schemes	120.3	60.2	12	(60.2)	(120.3)	(240.7)	(361.0)
	772.4	386.4	77.2	(386.4)	(772.4)	(1 545.0)	(2 317.5)

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23.3 Interest Rate Risk

The University has a number of receivables (i.e. student fees) that are exposed to interest rate risk. For the 2023 year, students were charged interest at a fixed rate of 1.0% per month (2022: 1.0%).

The University holds a substantial amount of interest-bearing investments and interest earning bank deposits. Interest risks relating to the University's investments are managed and monitored by the Joint Investment Committee in the same manner as outlined above.

The following tables demonstrate the sensitivity of the University's financial instruments that are subject to interest rate risk to a reasonable possible change in interest rates, with all other variables held constant. Refer to notes 23.7 and 6 for the fair values of the receivables.

All amounts in R millions	Impact of interest changes on surplus or deficit						
	+200 BP	+100 BP	+50 BP	-50 BP	-100 BP	-200 BP	-300 BP
Interest rate changes in basis points (BP)							
At 31 December 2023							
interest-bearing collective investment schemes and bonds	107.2	53.6	26.8	(26.8)	(53.6)	(107.2)	(160.9)
Money market and call deposits	15.5	7.7	3.9	(3.9)	(7.7)	(15.5)	(23.2)
Cash and cash equivalents	31.6	15.8	7.9	(7.9)	(15.8)	(31.6)	(47.4)
Interest-bearing borrowings	(1.4)	(0.7)	(0.3)	0.3	0.7	1.4	2.1
Lease liabilities	(3.9)	(1.9)	(1.0)	1.0	1.9	3.9	5.8
	149.0	74.5	37.3	(37.3)	(74.5)	(149.0)	(223.6)

At 31 December 2022							
interest-bearing collective investment schemes and bonds	68.4	34.2	17.1	(17.1)	(34.2)	(68.4)	(102.6)
Money market and call deposits	12.2	6.1	3.1	(3.1)	(6.1)	(12.2)	(18.4)
Cash and cash equivalents	23.9	11.9	6	(6.0)	(11.9)	(23.9)	(35.8)
Interest-bearing borrowings	(1.5)	(0.8)	(0.4)	0.4	0.8	1.5	2.3
Lease liabilities	(4.7)	(2.3)	(1.2)	1.2	2.3	4.7	7.0
	98.3	49.1	24.6	(24.6)	(49.1)	(98.3)	(147.5)

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23.4 Foreign Currency Risk

In addition to the market price risk exposure as disclosed above, the University holds instruments which are exposed to foreign currency risk. Refer to note 6 for the fair values of the various investment types. The table below presents the sensitivity of the embedded risk included in these financial instruments:

All amounts in R millions	Impact of USD variances on surplus or deficit						
	20%	10%	5%	-5%	-10%	-20%	-30%
Movement in foreign exchange rate (USD/ZAR)							
At 31 December 2023							
International mutual funds	171.8	85.9	43	(43.0)	(85.9)	(171.8)	(257.7)
International collective investment schemes	380.7	190.4	95.2	(95.2)	(190.4)	(380.7)	(571.1)
Trade receivables	24.3	12.1	6.1	(6.1)	(12.1)	(24.3)	(36.4)
	576.8	288.4	144.3	(144.3)	(288.4)	(576.8)	(865.2)

All amounts in R millions	Impact of USD variances on surplus or deficit						
	20%	10%	5%	-5%	-10%	-20%	-30%
Movement in foreign exchange rate (USD/ZAR)							
At 31 December 2022							
International mutual funds	130.1	65	32.5	(32.5)	(65.0)	(130.1)	(195.1)
International collective investment schemes	240.7	120.3	60.2	(60.2)	(120.3)	(240.7)	(361.0)
Trade receivables	14.1	7.1	3.5	(3.5)	(7.1)	(14.1)	(21.2)
	384.9	192.4	96.2	(96.2)	(192.4)	(384.9)	(577.3)

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23.5 Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Trade receivables

The University trades only with recognised, creditworthy third parties. It is the University's policy that all customers who wish to trade on credit terms are subject to random credit verification procedures.

In addition, receivable balances are monitored on an ongoing basis with the result that the University's exposure to bad debts is not significant, and there is no significant concentration of credit risk at year end. At year end the maximum exposure is R217.8 million (2022: R213.3 million), which reflects the amount after the recognition of the provision for expected credit losses. Refer note 9 for further details.

Student fees receivables

The University has stringent policies with respect to not allowing students with outstanding fee balances to either graduate or to register for the new academic year, subject to certain concessions. The outstanding fees balance at year end is widely spread amongst numerous students indicating no particular concentration of credit risk. A significant credit risk is presumed if a student is overdue and has completed their studies or has deregistered. At year end the maximum exposure to student fees is R352.5 million (2022: R310.2 million), after the current year expected credit losses provision. Refer note 9 for further details.

Student loans receivables

UCT is registered as a Development Credit Provider (NCRCP15558) and the University's student loans qualify as developmental credit agreements in terms of the National Credit Act. As a Development Credit Provider, UCT is exempt from affordability assessments. However, the Undergraduate Student Funding Committee has developed and approved a UCT Student Loan Policy which outlines the University's lending criteria, which requires that the Student Financial Aid Office conduct affordability assessments for new loan applications to avoid over-indebting the student. At year end the maximum exposure is R38.2 million (2022: R15.2 million). Refer note 27 for further details.

Other financial assets

With respect to credit risk arising from the other financial assets of the University, which comprise loans receivable, cash and cash equivalents, debt instruments which are measured at fair value through profit or loss which comprise government and corporate bonds, and certain derivative instruments. The University's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments R3.8 billion (2022: R3.2 billion). The University places cash and cash deposits only with major financial institutions with good credit ratings.

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23.6 Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The timing and nature of the University's cash inflows and outflows are such that liquidity problems are unlikely to arise. Furthermore, the University has access to funds through either its holding of short-term bank deposits or the unendowed investments portfolio in the event that any unforeseen events occur. The cash flow position is monitored by management on a weekly basis by means of a cash flow statement.

The table below summarises the maturity profile of the University's financial liabilities at 31 December based on contractual undiscounted payments.

All amounts in R'000	Note	On demand	1 to 12 months	1 to 5 years	More than 5 years	Total
At 31 December 2023						
Trade and other payables	13	-	643 168	-	-	643 168
Interest-bearing borrowings	19	-	14 744	50 705	35 515	100 964
Student deposits		149 937	-	-	-	149 937
Lease liabilities	20	-	47 527	76 502	500 670	624 699
		149 937	705 439	127 207	536 185	1 518 768
At 31 December 2022						
Trade and other payables	13	-	578 212	-	-	578 212
Interest-bearing borrowings	19	-	14 674	51 388	45 838	111 900
Student deposits		143 703	-	-	-	143 703
Lease liabilities	20	-	58 794	122 252	502 447	683 493
		143 703	651 680	173 640	548 285	1 517 308

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23.7 Fair Values

Set out below is a comparison by category of carrying amounts and fair values of all of the University's financial instruments.

	Note	Fair Value		Carrying Value	
		2023 R'000	2022 R'000	2023 R'000	2022 R'000
Financial Assets					
Cash and cash equivalents	10	1 579 752	1 193 050	1 579 752	1 193 050
Financial instruments at fair value through profit or loss	6	9 651 396	8 829 482	9 651 396	8 829 482
Account receivables	9	414 495	400 928	414 495	400 928
Student fees receivable	9	352 491	310 232	352 491	310 232
Loan receivables	8	33 178	45 364	33 178	45 364
Student loans receivable	27	38 191	15 181	38 191	15 181
Financial liabilities					
Accounts payable and accrued liabilities	13	643 168	578 212	643 168	578 212
Interest-bearing borrowings	19	69 212	77 306	69 212	77 306
Student deposits		149 937	143 703	149 937	143 703
Lease liabilities	20	194 812	233 559	194 812	233 559

Management assessed that carrying amounts of cash and cash equivalents, trade receivables, trade payables and other current liabilities approximate their fair values largely due to the short-term maturities of these instruments.

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

Market values have been used to determine the fair value of financial instruments at fair value through profit or loss. Fair value of the unquoted ordinary shares has been estimated using recent equity transactions. The valuation requires management to make certain assumptions about the model inputs, including forecast cash flows, the discount rate, credit risk and volatility. The probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value for these unquoted equity investments.

23.8 Capital Management

The capital of the University comprises both restricted funds designated for specific purposes and unrestricted funds, being funds that can be employed by Council at its discretion.

The University has a healthy relationship of reserves to assets, however it must be remembered that much of the asset base is held in designated investments and in property which has restricted alienability.

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

In any event, the operations need to generate a sufficient surplus to meet both the interest on the debt and the capital repayments. This policy is consistent with that adopted in previous years.

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23.9 Change in Liabilities Arising from Financing Activities

	2023		
	R'000		
	Long-term loans	Lease liabilities	Total
Balance as at 1 January	77 306	233 559	310 865
Interest	7 377	17 801	25 178
Repayments	(15 471)	(56 548)	(72 019)
Capital	(8 094)	(38 747)	(46 841)
Interest	(7 377)	(17 801)	(25 178)
Balance as at 31 December	69 212	194 812	264 024

	2022		
	R'000		
	Long-term loans	Lease liabilities	Total
Balance as at 1 January	85 393	333 474	418 867
Interest	5 901	23 685	29 586
Repayments	(13 988)	(116 811)	(130 799)
Capital	(8 087)	(93 126)	(101 213)
Interest	(5 901)	(23 685)	(29 586)
Cancellations	-	(6 789)	(6 789)
Balance as at 31 December	77 306	233 559	310 865

24. Commitments

24.1 Capital Commitments

Capital commitments at the reporting date but not recognised in the financial statements are as follows:

All amounts in R'000	Contracted (purchase order raised)	Approved but not contracted for	Total
Water sustainability project	5 393	44 355	49 748
Upper Campus parking initiative	-	2 041	2 041
Data Centre construction	2 181	28 420	30 601
ICT network renewal	161	-	161
ICT Upper Campus data centre refurbishment	1 532	1 081	2 613
ICT storage architecture renewal	-	3 596	3 596
Total 2023	9 267	79 493	88 760

One of the University's subsidiaries, the University of Cape Town Foundation, is committed to future investments of R28.6 million (2022: R10.5 million) in the Sanlam Mid Market Fund portfolio, when called upon to do so by the fund manager.

Total 2022	73 112	150 269	223 381
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These commitments will be funded in terms of the University's Capital Management Policy as outlined in note 23.8 above, utilising current resources in the first instance. The balance of the required funding will be met from both public and private sectors, including the use of the R929.9 million (2022: R891.5 million) of Government grants reflected as deferred revenue in note 11.

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24.2 Short Term and Low Value Lease Commitments – University as Lessee

For leases where the recognition exemptions of *IFRS16: Leases* apply (short-term and low value), the totals of future minimum lease payments under non-cancellable operating leases are as follows:

	2023		2022	
	R'000		R'000	
	Property rental	Photocopy machines	Property rental	Photocopy machines
Within 1 year	-	2 438	184	2 458
1 to 2 years	-	1 545	-	1 400
2 to 3 years	-	600	-	572
3 to 4 years	-	26	-	10
More than 5 years	-	18	-	-
	-	4 627	184	4 443

24.3 Operating Lease Commitments – University as Lessor

The University has entered into non-cancellable commercial property leases. These non-cancellable leases have remaining terms of between 1 and 7 years. All leases include a clause to enable upward revision of the rental charge on an annual basis according to prevailing market conditions. The future undiscounted lease payments are as follows:

	2023	2022
	R'000	R'000
Within 1 year	5 204	4 645
1 to 2 years	4 903	3 373
2 to 3 years	1 410	3 342
3 to 4 years	908	1 295
4 to 5 years	633	714
More than 5 years	504	1 310
	13 562	14 679

25. Cash Generated From Operations

Reconciliation of net surplus to cash generated from operations:

	Note	2023	2022
		R'000	R'000
Surplus for the year		1 039 701	80 821
Adjusted for:			
Depreciation	5 & 20	309 548	330 233
Release of deferred revenue	11	(65 243)	(122 164)
Movement in employee benefits		143 670	60 941
(Profit)/loss on sale of property, plant and equipment		4 809	2 343
Investment income - interest	15	(576 719)	(456 654)
Investment income - dividends	15	(107 893)	(128 244)
Finance costs		25 607	29 615
Fair value movement on fair value through profit or loss financial instruments		(697 336)	307 629
Income/(loss) from associate	7	1 497	(283)
Changes in working capital			
(Increase)/decrease in accounts receivable, student fees receivable, student loans receivable, loans receivable and contract assets		(37 763)	(131 854)
(Increase)/decrease in inventories		99	382
Increase/(decrease) in accounts payable, accrued liabilities, project income and deposits		177 967	(196 265)
Cash generated from operations		217 944	(223 500)

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26. Remuneration of Key Management

The following disclosure, as required by the Minister of Higher Education and Training, relates to compensation paid to members of the University's executive management team. Remuneration is based on the annualised cost of employment to the University and comprises total cost to the University.

Executive Management Team During 2023						
Name	Job Title	Annualised salary for job	Amount paid or accrued for job	Performance bonus	Acting allowance*	Total for other services
		R'000	R'000	R'000	R'000	R'000
Emeritus Professor B Reddy	Vice-Chancellor <i>Interim</i> Appointment effective 14.03.2023	3 767	3 017	-	-	-
Professor R Phakeng	Vice-Chancellor 01.01.2023 to 31.03.2023	4 185	1 046	-	-	347**
Professor S Harrison	Deputy Vice-Chancellor: Research & Internationalisation	2 936	2 936	-	-	-
Professor E Ramugondo	Deputy Vice-Chancellor: Transformation	2 686	2 686	-	-	-
Dr R Morar	Chief Operating Officer 01.01.2023 to 31.07.2023	2 936	1 713	-	-	-
M Parker	Executive Director: Properties & Services (full year) Acting Chief Operating Officer Appointment effective 01.08.2023	2 356	2 356	274	232	-
Professor M Lange	Deputy Vice-Chancellor: Teaching & Learning 01.01.2023 to 31.03.2023	2 936	245	-	-	-
	Acting Director: ADP 01.02.2023 to 30.04.2023	1 233	308	-	-	-

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26. Remuneration of Key Management (continued)

Executive Management Team During 2023						
Name	Job Title	Annualised salary for job	Amount paid or accrued for job	Performance bonus	Acting allowance*	Total for other services
		R'000	R'000	R'000	R'000	R'000
Professor H Kathard	Acting Deputy Vice-Chancellor: Teaching & Learning 01.01.2023 to 30.06.2023	1 504	752	-	568	-
	Professor: Faculty of Health Sciences 01.07.2023 to 31.12.2023	1 504	752	-	-	-
Emeritus Professor L Ronnie	Acting Deputy Vice-Chancellor: Teaching & Learning 17.07.2023 to 31.12.2023	2 606	1 213	-	-	161
	Senior Research Scholar 01.01.2023 to 16.07.2023	350	175	-	-	292
R Van Huyssteen	Executive Director: Information and Communication Technology Services	2 285	2 285	69	-	-
R Pillay	Registrar	2 285	2 285	274	-	-
M Hoosain	Executive Director: Human Resources 01.01.2023 to 31.01.2023	2 285	190	-	-	-
B Ndaba	Acting Executive Director: Human Resources	1 560	1 560	-	417	-
G Kruger	Executive Director: Communications & Marketing	2 285	1 904	-	-	-
Dr L Mtwisha	Executive Director: Research	2 285	2 285	274	-	-
S Archer	Executive Director: Development & Alumni Department	2 165	2 165	183	-	-
Associate Professor L Green-Thompson	Dean: Faculty of Health Sciences	3 200	3 200	-	-	-
U Satgoor	Executive Director: Libraries	2 285	2 285	-	-	-

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26. Remuneration of Key Management (continued)

Executive Management Team During 2023						
Name	Job Title	Annualised salary for job	Amount paid or accrued for job	Performance bonus	Acting allowance*	Total for other services
		R'000	R'000	R'000	R'000	R'000
V Motholo	Chief Financial Officer	2 285	2 285	69	-	-
Dr CSM Duggan	Director: Graduate School of Business	2 628	2 628	-	-	-
P Mgolombane	Executive Director: Department of Student Affairs	2 285	2 285	-	-	-
Associate Professor K Behari-Leak	Dean: Centre for Higher Education Development	2 054	2 054	-	-	-
Professor D Chirwa	Dean: Faculty of Law	2 285	2 285	137	-	-
Professor A Lewis	Dean: Faculty of Engineering and the Built Environment	2 457	2 457	197	-	160
Professor S Goodman	Dean: Commerce	2 414	2 414	74	-	-
Professor MF Ramutsindela	Dean: Faculty of Science 01.01.2023 to 30.06.2023	2 457	1 228	-	-	-
	Professor: Faculty of Science 01.07.2023 to 31.12.2023	1 504	752	-	-	-
Professor P Woudt	Professor: Faculty of Science 01.01.2023 to 30.06.2023	1 504	752	-	-	1
	Acting Dean: Faculty of Science 01.07.2023 to 31.12.2023	1 504	752	-	390	-
Professor S Kessi	Dean: Faculty of Humanities	2 457	2 457	-	-	-

* An acting allowance is awarded where an existing staff member is temporarily appointed in another position in an acting capacity.

** Included in the total for other services of R347 455 is R81 488 (2022: R1 056 480), being the deemed value of the house and vehicle provided to the Vice-Chancellor as part of her package.

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26. Remuneration of Key Management (continued)

Executive Management Team During 2022						
Name	Job Title	Annualised salary for job	Amount paid or accrued for job	Performance bonus	Acting allowance*	Total for other services
		R'000	R'000	R'000	R'000	R'000
Professor RM Phakeng	Vice-Chancellor	3 948	3 948	-	-	1 382**
Professor STL Harrison	Deputy Vice-Chancellor: Research	2 770	2 770	-	-	-
Dr RL Morar	Chief Operating Officer	2 770	2 770	-	-	-
Assoc Professor ML Lange	Deputy Vice-Chancellor: Teaching & Learning	2 770	2 770	-	-	-
Professor H Kathard	Acting Deputy Vice-Chancellor: Teaching & Learning 01/05/2022 to date	1 419	946	-	715	-
	Professor: Faculty of Health Sciences 01/01/2022 to 30/04/2022	1 419	473	-	-	-
Emeritus Professor MJ Hall	Acting Deputy Vice-Chancellor: Transformation 01/01/2022-30/06/2022	2 624	1 050	-	-	-
Professor EL Ramugondo	Deputy Vice-Chancellor: Transformation Appointment effective 01/07/2022	2 534	1 267	-	-	-
Mr RN Pillay	Registrar	2 156	2 156	-	-	-
Mr VM Mtholo	Chief Financial Officer	2 156	2 156	152	-	-
Professor AE Lewis	Dean: Faculty of Engineering and the Built Environment	2 317	2 317	172	-	280
Professor MF Ramutsindela	Dean: Faculty of Science	2 317	2 317	74	-	-
Professor DM Chirwa	Dean: Faculty of Law	2 156	2 156	114	-	-
Associate Professor S Kessi	Dean: Faculty of Humanities	2 317	2 317	172	-	-
Associate Professor LP Green-Thompson	Dean: Faculty of Health Sciences	3 019	3 019	-	-	-

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26. Remuneration of Key Management (continued)

Executive Management Team During 2022						
Name	Job Title	Annualised salary for job	Amount paid or accrued for job	Performance bonus	Acting allowance*	Total for other services
		R'000	R'000	R'000	R'000	R'000
Dr CSM Duggan	Director: Graduate School of Business	2 479	2 479	160	-	-
Professor AF Cliff	Acting Dean: Centre for Higher Education Development 01/01/2022 to 31/03/2022	1 349	337	-	144	-
Associate Professor K Behari-Leak	Dean: Centre for Higher Education Development Appointment effective 01/04/2022	1 938	1 453	-	-	-
Professor SL Goodman	Dean: Commerce	2 277	2 277	-	-	39
Mr RJ Van Huyssteen	Executive Director: Information and Communication Technology Services	2 156	2 156	-	-	-
Ms M Hoosain	Executive Director: Human Resources	2 156	2 156	229	-	-
Mr BB Ndaba	Acting Executive Director: Human Resources 01/05/2022 to 31/12/2022	1 472	981	-	262	-
	Director: Organisational Development & Effectiveness 01/01/2022 to 30/04/2022	1 472	491	-	-	-
Ms G Kruger	Executive Director: CMD	2 156	2 156	-	-	-
Ms KD Hatton	Acting Executive Director: Communications & Marketing Department 20/05/2022 to 30/09/2022	1 338	489	-	179	-
	Director: Communications & Marketing Department 01/01/2022 to 19/05/2022 and 01/10/2022 to 31/10/2022	1 338	627	-	-	-

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26. Remuneration of Key Management (continued)

Executive Management Team During 2022						
Name	Job Title	Annualised salary for job	Amount paid or accrued for job	Performance bonus	Acting allowance*	Total for other services
		R'000	R'000	R'000	R'000	R'000
Dr L Mtwisha	Executive Director: Research	2 129	2 129	274	-	-
Mrs SGF Archer	Executive Director: Development & Alumni Department Appointment effective 01/05/2022	2 043	1 362	-	-	-
Mr SG van Heerden	Acting Executive Director: Development & Alumni Department 01.01.2022 to 30.04.2022	1 338	446	-	165	-
	Deputy Director: Funding & Strategic 01/05/2022 to 31/12/2022	1 338	892	-	-	-
Mr M Parker	Executive Director: Properties & Services	2 223	2 223	343	-	-
Ms U Satgoor	Executive Director: Libraries	2 156	2 156	297	-	-
Mr P Mgolombane	Executive Director: Department of Student Affairs and acting Deputy Vice-Chancellor: Transformation (certain responsibilities)	2 156	2 156	274	197	-

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26. Remuneration of Key Management (continued)

Other payments

2023

Name	Position held	Purpose/reason for payment	Amount R'000
Dr R Morar	Chief Operating Officer	Leave encashment upon resignation	350
Professor M Lange	Deputy Vice-chancellor: Teaching & Learning	Leave encashment upon resignation	155
G Kruger	Executive Director: Communications & Marketing	Leave encashment upon resignation	715
M Hoosain	Executive Director: HR	Leave encashment upon resignation	763
Professor R Phakeng	Vice-Chancellor	Leave encashment upon resignation	998
Professor M Lange	Deputy Vice-chancellor	Ex gratia payment	1 703
M Hoosain	Executive Director: HR	Incentivised early retirement payment	3 428
G Kruger	Executive Director: Communications & Marketing	Incentivised early retirement payment	2 285
Professor R Phakeng	Vice-Chancellor	Incentivised early retirement payment	12 205
Professor R Phakeng	Vice-Chancellor	Retention allowance	81
M Parker	Executive Director: Properties & Services	Retention allowance	431
R Pillay	Registrar	Retention allowance	503
B Ndaba	Acting Executive Director: Human Resources	Attraction allowance	222
V Motholo	Chief Financial Officer	Attraction allowance	451
Professor S Goodman	Dean: Commerce	Retention allowance	301
			24 591

2022

Name	Position held	Purpose/reason for payment	Amount R'000
Professor RM Phakeng	Vice-Chancellor	Retention allowance	305
Mr RN Pillay	Registrar	Retention allowance	474
Mr VM Motholo	Chief Financial Officer	Attraction allowance	451
Professor SL Goodman	Dean: Commerce	Scarcity allowance	284
Mr BB Ndaba	Acting Executive Director: Human Resources	Attraction allowance	210
Ms KD Hatton	Acting Executive Director: Communications & Marketing Department	Retention allowance	68
Mr M Parker	Executive Director: Properties & Services	Retention allowance	407
			2 199

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26. Remuneration of Key Management (continued)

No remuneration is paid to members of Council for services as Council members, membership or attendance at meetings, nor is it the policy of the University to pay those whom it appoints as board members, trustees or directors of related or affiliated entities.

The following table represents the disclosure required in terms of *IAS24: Related Party Disclosures* in respect of compensation of key management:

	2023	2022
	R'000	R'000
Short-term employee benefits	54 963	58 488
Post-employment benefit	8 855	8 732
Termination benefits	22 601	-
Total compensation paid to key management personnel	86 419	67 220

The post-employment benefit reflected above for key management represents payments made to the University's retirement fund.

27. Student Loans Receivable

	2023	2022
	R'000	R'000
Opening balance	15 181	-
Loans issued	22 687	15 181
Loans repaid	(220)	-
Interest charged	543	-
Closing balance	38 191	15 181
Non-current	32 340	14 869
Current	5 851	312

UCT registered as a National Credit Provider and commenced issuing student loans in 2022.

Interest on these loans starts accruing once the student exits the University. There are no fixed repayment terms; loans are repayable once the student exits and starts earning an income. UCT uses a debt management provider to assess the appropriate repayment amounts to ensure that students are able to afford the monthly repayments once they have found employment. As these loans were first issued in 2022, there is insufficient data regarding collections to accurately determine a potential expected credit loss. The expected credit loss would be based on historical payment profiles, adjusted to reflect forward-looking information relating to macro-economic factors affecting the ability of students to settle the loans. Management continues to monitor the loans and payment patterns. At year end, management believes that this balance is recoverable.

28. Finance Costs

	2023	2022
	R'000	R'000
Interest on Development Bank of South Africa loan	7 377	5 843
Interest on lease liabilities	17 801	23 685
Interest on overdraft	429	87
	25 607	29 615

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29. Retirement Benefits

The University of Cape Town Retirement Fund is a defined provident 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 R568 million (2022: R531 million). The expense is disclosed in Note 16.

The Fund was formed on 1 January 1996, after the majority of employees had elected to transfer from the Associated Institutions Pension Fund, a defined benefit plan underwritten by the State.

30. Lessee Improvements

30.1 Grootte Schuur Hospital

The Grootte Schuur Hospital, located in Observatory, Cape Town has been built on land owned by the University of Cape Town. The initial 99-year lease has 2 years to run with an option to renew for a further 99 years. Lease income on this property is nominal.

30.2 Pinewood Village

The Pinewood Village retirement complex, built in Pinelands, Cape Town has been erected on land owned by the University of Cape Town.

The initial lease of 99 years still has 67 years to run with a renewal option of a further 99 years.

In terms of the lease, ownership of the buildings will revert to the University of Cape Town at the end of the lease. A modest annual income is received from Pinewood Village.

31. Related Parties

The related party relationships of the University of Cape Town in terms of *IAS24: Related Party Disclosures* are as follows:

- Subsidiary entities (refer Note 2.4);
- Associate entities (refer Note 7 and Note 8);
- Key management personnel, which comprises members of both Council and the University executive management team (refer Note 26); and
- National Government (refer Note 11).

The following related party transactions in respect of subsidiary entities occurred during the year under review, and were eliminated in the consolidated financial statements.

	2023	2022
	R'000	R'000
University of Cape Town Foundation		
<i>Related Party Balances</i>		
Intercompany loan	7 514	25 197
<i>Related Party Transactions</i>		
Grants received	158 267	161 373
Unutilised funds reinvested	-	(70 522)
Management fee received	5 065	4 779
Endowed funds transferred	(21 819)	(26 426)
University of Cape Town Lung Institute (Pty) Ltd		
<i>Related Party Balances</i>		
Trade receivables	518	1 793
Trade payables	(10 093)	(9 338)
<i>Related Party Transactions</i>		
Services rendered	11 884	10 600
Services received	(10 351)	(10 921)

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31. Related Parties (continued)

	2023 R'000	2022 R'000
Sports Science Share Block (Pty) Ltd		
<i>Related Party Balances</i>		
Loans to shareholder	33 046	33 046
<i>Related Party Transactions</i>		
Services received	(7 758)	(7 053)
University of Cape Town Foods Services (Pty) Ltd		
<i>Related Party Balances</i>		
Intercompany loan	62 617	57 845
Trade receivables	369	-
Trade payables	(3 025)	(2 737)
<i>Related Party Transactions</i>		
Interest received	4 772	4 408
Services received	(106 482)	(98 960)
Services rendered	774	1 120

The terms of the intercompany loans are as follows:	Repayment terms	Interest
University of Cape Town Foundation	No fixed terms	None
Sports Science Share Block (Pty) Ltd	No fixed terms	None
University of Cape Town Foods Services (Pty) Ltd	Variable ¹	8.25%

	R'000
¹ First installment (January 2024)	1 500
Second installment	4 900

Subsequent installments at a 5% annual increase.

Due to the nature of the University's operations and the composition of its Council, the Council takes particular care to avoid conflicts of interest, and has an explicit policy requiring disclosure and reporting. Any transaction with third parties in which any council member has a direct or fiduciary interest is subject to this policy. The Register of Direct and Fiduciary interests is updated at least annually.

In addition to the loan balances disclosed in note 8, associate entities owed the following to the University at year end:

Hyplat (Pty) Ltd		
<i>Related Party Balances</i>		
Accounts receivable	-	113

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32. Restatement of the Consolidated Statement of Cash Flows

The Consolidated Statement of Cash Flows was restated to correctly reflect reinvested interest and dividends as non-cash transactions. The cash flow line items relating to interest received, dividends received and purchase of investments had previously been overstated by including these non-cash transactions.

The error has been corrected by restating each of the affected cash flow statement line items for the prior periods as follows:

Consolidated Statement of Cash Flows (extract)	Reported 2022 R'000	Increase/ Decrease R'000	Restated 2022 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Interest received	456 654	(272 064)	184 590
Dividends received	128 244	(128 244)	-
Net cash inflows/(outflows) from operating activities	584 898	(400 308)	184 590
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of investments	(1 388 255)	400 308	(987 947)
Net cash inflows/(outflows) from investing activities	(1 388 255)	400 308	(987 947)

This correction did not have an impact on the total cashflows, the Consolidated Statement of Financial Position, the Consolidated Statement of Comprehensive Income nor the Consolidated Statement of Changes in Fund

33. Contingent Liabilities

The University faces various litigation claims, the outcome of which is uncertain. No provision in respect of any litigation claims have been recognised due to it not being probable that an outflow of resources will be required and as the estimates cannot be reliably determined.

34. Taxation

No taxation has been provided as the University is exempt from taxation in terms of Section 10(1)(cA)(i) of the Income Tax Act.

35. Events After the Reporting Date

There have been no material non-adjusting events after the year end date.

In May 2024 Professor Mosa Moshabela was appointed the University's 11th Vice-Chancellor. He will formally take up the position on 1 October 2024. The position of Vice-Chancellor has been filled on an interim basis since March 2023 by Emeritus Professor Daya Reddy.

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36. Update on 2022 Events After the Reporting Date

An Investigating Panel (Panel) was constituted in 2022, with the overall standing mandate to investigate issues of governance that have affected UCT. The Council, after adopting the report of the Panel, publicly issued the report on 1 November 2023. Following on from the governance issues identified, the external auditors raised certain reportable irregularities in terms of section 45 of the Auditing Profession Act. The table below reflects the status of the reportable irregularities as at the reporting date.

Description	Action	Status
<p>The UCT Council failed as a collective and did not take decisive corrective action to address certain lapses in good governance, including the abuse of power by its most senior office bearers, failing to act on complaints raised through reports issued and ensuring that the roles of executive and non-executive leadership remain distinct. These governance lapses include conflicts of interest not being declared in Council meetings and implicated individuals not recusing themselves from decision making in relation to matters in which they had a personal interest and senior leadership not acting in the best interest of UCT by their conduct, including conduct during Council meetings.</p>	<p>UCT Council will establish a governance sub- committee whose task will be to establish a framework to strengthen the university's governance. This will include induction processes for Council members, reviews of Council performance, tightening the terms of reference for key committees of Council, alignment of the functions to execute Council decisions through the management systems and without any undue impediments that may undermine good governance. The governance role of key committees of Council, like the Remuneration Committee of Council and the University Human Resources Committee, as well as the operational function of key university departments, will be included in this process.</p>	<p>The governance task team has met and has provided guidance on the planning and content of the induction intended for the new Council. The context for the induction plan is guided by the following considerations:</p> <ol style="list-style-type: none"> 1. Institutional interventions that need to be in place to ensure that the governance lapses of the kind described in the report of the panel of investigation will not be repeated or will at least be significantly mitigated. 2. Consideration of structural factors that enhance the risk of governance lapses and what might be done pro-actively in this regard to mitigate risks. <p>The induction will be informed by the following broad questions:</p> <ol style="list-style-type: none"> a. What are the hallmarks of good governance for UCT and what are the warning signs to be aware of that may threaten the integrity of institutional governance?
<p>In some instances, the senior leadership at the institution breached labour laws and UCT policies by having contracts terminated unlawfully and behaving in a discriminatory and unethical manner, the unlawful suspension of employees and breaching the Public Protection Act by intimidating and purporting to act on behalf of Council.</p>	<p>The governance role of key committees of Council, like the Remuneration Committee of Council and the University Human Resources Committee, as well as the operational function of key university departments, will be included in a review process to be undertaken by a Council governance sub-committee, with a view to ensure compliance with UCT's regulations and policies and enforcing the Council code of conduct.</p>	<ol style="list-style-type: none"> b. What are the key factors to take into account in cultivating strong governance and risk mitigation awareness for the UCT Council? <p>It is intended that the induction of the new Council will take place early in the term of the new Council. Additionally, an advisory document is being prepared by the governance task team for consideration by the current Council at its final scheduled meeting on 22 June 2024, having regard to the issues that the report of the Panel highlighted and how some of systemic and structural issues may be responded to. This advisory document is intended as part of the handover from the current Council to the new Council.</p>

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37. Going Concern

Management believe that the University has adequate financial resources to continue in operation for the foreseeable future and the annual financial statements have therefore been prepared on a going concern basis. Management have satisfied themselves that the University is in a sound financial position and are not aware of any new material changes that may adversely impact the University. Management are also not aware of any material non-compliance with statutory or regulatory requirements, or of any pending changes to legislation which may affect the University.