ANNUAL REPORT FOR 2025

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 2025

The term of appointment of the members of Council is a period of four years. Details of the members for 2025 are set out in Table 1 below:

Details of the Council of the University of Cape Town as at 30 June 2025

EXECUTIVE OFFICERS OF THE COUNCIL

- Professor M Moshabela (Vice-Chancellor)
- Associate Professor K Idensohn (Registrar Interim) (Secretary to Council)
- Professor B Collier-Reed (Deputy Vice-Chancellor)
- Mr R van Huyssteen (Acting Chief Operating Officer)

Table 1: Members of Council

Ministerial Appointees	1. Adv N Arendse
	2. Ms N Caluza
	3. Professor G Gray
	4. Professor E Maloka
	5. Ms N Mohamed
Members elected by convocation	6. Mr D Ansara
	7. Emeritus Professor B Kantor
	8. Mr M Oppenheimer
	9. Ms K Phelps
Academic and professional administrative & support staff (PASS) elected members	10. Mr B Nkume (PASS 2-6)
	11. Mr Y Moollatjie (PASS 7-13)
	12. Professor T Naledi (Academic)
Members elected by Senate	13. Professor W Amien
	14. Professor T Moultrie
	15. Mr J Rousseau
Members elected by donors	16. Mr E Davids
	17. Ms D Yach

Nominee of Cape Town City Council	18. Mr K Perumalsamy
Nominee of the Premier of the Western Cape	19. Mr Marlon Parker
Appointed by the Appointments Committee of Council	20. Mr M Campbell
	21. Dr M Molapo
	22. Dr S Munyaka
	23. Mr O Mothudi
	24. Mr R Isaacs
Appointed by the Students Representative Council	25. Ms T Lukhele
	26. Ms M Letsoalo
	27. Mr T Makhwathana
Ex Officio Members	28.Professor M Moshabela (Vice-Chancellor)
	29 Professor B Collier-Reed
	30. Mr R van Huyssteen

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 the 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 those 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 was 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 who serves ex officio) 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 Graduate School of Business) and by committees of the Senate.

The Institutional Forum brings together (in a body of 30) ten student members chosen by the Students' Representative Council, ten staff members chosen by trade unions and staff bodies, and ten 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 Ombud's Office represents a further step to ensure fairness in all institutional dealings with staff,

students and third parties, and to promote probity. 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.

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.
- The committees and sub-committees necessary to achieve the above are in place, are properly constituted and have appropriate terms of reference and reporting procedures.

Objectives for the Council for 2025

The Chair of Council is required to report annually on the work of the Council. The Auditor General requires that the Council reports on the extent to which it 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 predetermined objectives. The Annual Performance Plan for 2025 was considered by Council in December 2024. Having regard to the aforementioned, its responsibilities under the Act and the Statute, the Council set the following high-level objectives for itself for 2025.

Table 2: Objectives of Council for 2025

Council objectives related to predetermined objectives and statutory oversight follows below:	
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: (a) The 2024 Annual Report (b) The 2025 Mid-year Performance Report (c) The 2026 Annual Performance Plan	Council authorised for submission to the Department of Higher Education (a) the 2024 Annual Report in June 2025; (b) the 2025 Mid-year Performance Report in November 2025; and (c) the 2026 Annual Performance Plan in December 2025.
To achieve the approved enrolment targets for 2025, as well as the graduate output and throughput targets. UCT's enrolment planning compact with the Ministry and the Department of Higher Education and Training required that UCT achieve a headcount enrolment of 30 625 students in 2025 (2024: 30 319). This agreed target total can be broken down as follows: 18 105 undergraduate students (2024: 18 076), 3 439 (2024: 3 341) postgraduates below the master's level, 6 396 master's students (2024: 6 267) and 2345 doctoral enrolments (2024: 2 316). The headcount enrolment was projected to translate into 22 381 (2024: 22 213) full-time equivalent enrolments.	See pages 26-28
To ensure that earmarked funds for 2025 designated and awarded to UCT by the Minister of Higher Education, Science and Innovation are utilised for the specific purposes as intended. These include: • The University Capacity Development Grant (encompassing teaching- and research-development) • The University Capacity Development Grant Collaborative grants • The Foundation Programme grants • The Infrastructure and Efficiency grants • The Clinical Training grant • The New Generation of Academics Programme • The National Student Financial Aid Scheme	See pages 34-45.

Council objectives related to predetermined objectives and statutory oversight follows below:	
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.	
Council objectives in relation to governance and internal objectives follow below:	
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: • To receive reports on teaching and 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 46-52.
To hold the Vice-Chancellor accountable for his objectives and for effective administration.	See pages 17-26.

The Committees of Council

Council Meetings

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

Table 3:Council meetings 2025

Member	15 March	12 April	10 May Reconvened	28 June	S58: 28 June	17 July Reconvened	18 October	6 December	18 December Reconvened	% Attendance
W Amien	✓	✓	✓	✓	✓R	✓	✓	✓	✓	100
D Ansara	✓	✓	✓	✓	R	✓	✓	✓	✓	100
N Arendse	✓	✓	✓	✓	R	✓	✓	✓	✓	100
K Bam	-		-	-	-	-	-	✓	✓	100

N Caluza	✓	✓	✓	A	A	Ab	✓	✓	A	56
M Campbell	✓	✓	✓	✓	R	✓	✓	✓	✓	100
B Collier-Reed	✓	✓	✓	✓	✓	✓	✓	✓	✓	100
E Davids	✓	✓	✓	✓	R	✓	✓	✓	✓	100
G Gray	✓	✓	✓	✓	R	✓	✓	✓	✓	100
R Isaacs	✓	✓	A	✓	R	Ab	✓	✓	✓	67
B Kantor	✓	✓	✓	✓	✓	✓	✓	✓	✓	100
T Lukhele	✓	✓	✓	✓	✓	Ab	✓	-	-	86
M Letsoalo	-	✓	✓	✓	✓	✓	✓	-	-	100
T Makhwathana	-	✓	✓	✓	✓	✓	✓	-	-	100
E Maloka	✓	✓	✓	✓	R	✓	✓	✓	✓	100
K Mojapelo	-	-	-	-	-	-	-	✓	✓	100
N Mohamed	✓	✓	✓	A	R	✓	A	✓	✓	78
K Molepo	-	-	-	-	-	-	-	✓	✓	100
M Molapo	✓	✓	✓	✓	✓	✓	✓	✓	✓	100
Y Moollatjie	✓	✓	✓	✓	✓	✓	✓	✓	✓	100
M Moshabela	✓	✓	✓	✓	✓	✓	✓	✓	✓	100
O Mothudi	✓	A	✓	✓	✓	✓	✓	✓	✓	89
T Moultrie	✓	✓	✓	✓	✓	✓	✓	✓	A	89
S Munyaka	✓	✓	✓	A	A	✓	✓	A	A	56
A Nkwakwa	✓	-	-	-	-	-	-	-	-	100
T Naledi	✓	✓	✓	✓	R	✓	✓		✓	100
B Nkume	✓	✓	✓	✓	A	A	✓	A	✓	67
M Oppenheimer	✓	✓	✓	✓	R	✓	✓	✓	✓	100
Marlon Parker	✓	✓	✓	✓	✓	✓	✓	✓	✓	100
Mughtar Parker	A	-	-	-	-	-	-	-	-	0
K Perumalsamy	✓	✓	✓	✓	R	✓	✓	✓	✓	100
K Phelps	✓	✓	✓	✓	A	✓	✓	✓	✓	89
J Rousseau	✓	✓	✓	✓	✓	✓	✓	✓	✓	100
R van Huyssteen	-	-	-	A	A	✓	✓	✓	A	50
D Yach	✓	✓	✓	✓	R	✓	✓	✓	✓	100

KEY:

✓ = Present
A = Apology
Ab = Absent
R = Recused
- = Not a member

Table 4: Special meetings of Council, January to December 2025

Member	20 February	19 May	12 June	4 September	% Attendance
W Amien	✓	✓	✓	✓	100
D Ansara	✓	✓	✓	✓	100
N Arendse	✓	✓	✓	✓	100
K Bam	-	-	-	-	-
N Caluza	✓	Ab	A	Ab	25
M Campbell	✓	✓	✓	A	75
B Collier-Reed	✓	✓	✓	✓	100
E Davids	✓	✓	✓	Ab	75
G Gray	✓	✓	✓	✓	100
R Isaacs	✓	✓	✓	Ab	75
B Kantor	✓	✓	✓	✓	100
T Lukhele	✓	✓	✓	✓	100
M Letsoalo	-	✓	✓	✓	100
T Makhwathana	-	✓	✓	✓	100
E Maloka	A	✓	✓	A	50
K Mojapelo	-	-	-	-	-
N Mohamed	✓	✓	✓	A	75

K Molepo	-	-	-	-	-
M Molapo	A	A	A	✓	25
Y Moollatjie	✓	✓	✓	A	75
M Moshabela	✓	✓	✓	✓	100
O Mothudi	✓	✓	✓	A	75
T Moultrie	✓	✓	✓	✓	100
S Munyaka	✓	✓	✓	✓	100
A Nkwakwa	✓	-	-	-	100
T Naledi	A	✓	✓	✓	75
B Nkume	A	✓	A	A	25
M Oppenheimer	✓	✓R	✓	A	75
Marlon Parker	✓	✓	✓	✓	100
Mughtar Parker	✓	-	-	-	100
K Perumalsamy	✓	✓	✓	A	75
K Phelps	✓	✓	✓	A	75
J Rousseau	✓	✓	✓	✓	100
R van Huyssteen	-	-	✓	✓	100
D Yach	✓	✓	✓	✓	100

KEY:
✓ = Present
A = Apology
- = Not a member

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 Vice-Chancellor and the Chair of the University Finance Committee.

There are also four additional members of Council (two of whom must be external members, one of whom must be a student member, and one who must be a member of Senate) and. The table below sets out the number of EXCO meetings held in 2025 and each member's attendance record.

Table 5: Attendance at Council Executive Committee (Council EXCO) meetings 2025

Member	13 February	9 May	22 May	21 August	% Attendance
W Amien	A	✓	✓	A	50
N Arendse	✓	✓	✓	✓	100
N Caluza	✓	✓	A	✓	100
M Campbell	✓	✓	✓	✓	100
R Isaacs	✓	A	A	✓	50
T Lukhele	✓	✓	✓	✓	100
M Moshabela	✓	✓	✓	✓	100
S Munyaka	✓	✓	✓	✓	100

KEY:
✓ = Present
A = Apology
- = Not a member

Table 6: Special Council Executive Committee meetings 2025

Member	17 March	% Attendance
W Amien	✓	100
N Arendse	✓	100

N Caluza	✓	100
M Campbell	✓	100
R Isaacs	✓	100
T Lukhele	✓	100
M Moshabela	✓	100
S Munyaka	✓	100

KEY:
ü = Present
A = Apology
- = 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. Since no vacancies arose during the period under review there was no need for the Committee to meet.

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 four occasions in 2025. 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 appointed by Council (one of whom must be the Chair), as well as independent members, 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 five times during 2025.

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, thus ensuring transparency in respect of executive and senior staff salaries. RemCom met in person three times during 2025 and conducted its business by means of a Chair's Circular's on eight occasions.

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 2025.

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 twice in person times during 2025 and conducted its business by means of Chair's Circulars on four occasions. An external Council member chairs the UHRC.

The University Information and Communication Technology Services Committee

The University Information and Communication Technology Services Committee (UICTSC) 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 Council Member, 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 2025.

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 five meetings in 2025.

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 2025.

Conclusion

UCT extends its deep appreciation to all its internal and external stakeholders for their continued support. The University continues to achieve outstanding successes because of that support and the generous contributions of many within the University community.

I also extend my gratitude and thanks to the members and chairpersons of Council committees and task teams for the work they have done. I also thank the wider UCT community.

Adv Norman Arendse
Chair: Council

13 June 2026

REPORT ON UCT OPERATIONS DURING 2025

The report on UCT operations consists of four sections. Section 1 deals with a reflection on executive objectives for 2025, 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 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, consisting of the 2024 Research Report, 2024 Teaching and Learning Report, and 2024 Transformation Report which served at Council during 2025 and 2026.

Report on 2025 Executive Objectives

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: Offering a holistic, innovative, future-oriented education), the Research Portfolio (mainly covering the goal: Research solving Afrika's problems), and Operations in support of the Academic Project Portfolio (mainly covering the goal: 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. 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 2025 calendar year and was derived from the focus areas and high-level objectives for the period 2021-2025.

These plans were mainly formulated between 2021 and 2022 during a period of relative optimism in relation to the budget. However, the financial situation at UCT and in the higher education sector more generally, has since taken a downturn. It is crucial to emphasize, as mentioned earlier, that while the progression of objectives represents key milestones in realizing the goals of Vision 2030, the timing of their achievement may be jeopardized in the face of decisions made within a deficit budget scenario.

For 2025 the executive objectives related to "Offering a holistic, innovative, future oriented education" were as follows:

- Five-year enrolment plan 2026-2030 submitted to DHET.
- Have 100% of courses migrated to Amathuba.
- Develop Amathuba-based analytics.
- Approval of the UCT Continuing Education Policy.
- Approval of the UCT Quality Assurance Framework.
- Approval of the Framework for Artificial Intelligence in Education.
- To establish an integrated, agile, and inclusive student support and advising system in one faculty as a case study.

For 2025 the executive objectives related to "Research solving Afrika's problems" were as follows:

- To increase the progression of junior academic staff to research-active status.
- To increase the percentage of new permanent academic staff to research-active within the first five years.
- To increase the number of strategic collaborations with African partners.

For 2025 the executive objectives related to an "Organisational ethos that supports new ways of thinking, being and doing" are as follows:

- To develop appropriate dashboards and reports monitoring employment equity (2022-2026).
- To reduce UCT's carbon footprint.
- To increase the number of green buildings.
- To improve indoor environment quality.
- To reduce water usage.
- To reduce electricity usage.
- To reduce the production of waste.

For 2025 the executive objectives related to "Providing thought leadership on social justice" were as follows:

- Approval of the Transformation Benchmarks 2024-2029 proposals.
- To host two conversation series on transformation as informed by ongoing scholarship.
- To increase the number of scholarly outputs that reflect ongoing engagement with transformation and decoloniality.

Performance Against the Executive Objectives for 2025

As part of the monitoring of Vision 2030, a draft progress report assesses progress against targets for key performance indicators (Executive Objectives) up to the end of 2025. We have used the following rating scheme to measure progress against targets for each executive objective or key performance indicator:

Table 7: Rating scheme for progress against targets.

Rating Scheme	Description
Achieved	Objectives or targets up to 2025 have been met
Partially achieved	Objectives or targets up to 2025 have met major milestones
Not achieved	Objectives or targets up to 2025 have not been met
Progress made	Objectives or targets set annually or beyond 2025, have met major milestones
Not rated: No progress made	No progress report to assess progress against targets
Not rated: Strategy under review	Strategy and objective under review
Not rated: No target set	No target set

The Executive Objectives for 2025, linked to Vision 2030, are as follows:

In relation to having "An organisational ethos that supports new ways of thinking, being and doing and providing thought leadership on social justice."

To develop appropriate dashboards and reports monitoring employment equity (2022-2026)

RATING: PROGRESS MADE

The objective of developing appropriate dashboards and reports is being met through the systematic consolidation of data from specific, institutionally supported, employee wellbeing programmes and a phased monitoring approach. Staff health and wellness reporting draws on utilisation and thematic insights from the Lyra Health Employee Wellbeing Programme, which provides confidential counselling, mental health awareness training, stress management, and resilience interventions for employees and managers across faculties and departments, as well as complementary counselling services and wellness campaigns delivered by SADAG, including awareness webinars and psycho-educational programmes. This is supplemented by engagement data from the SuccessFactors Learning Platform, which offers self-directed courses on stress, anxiety, depression, mindfulness, and general wellbeing, supported by exercises, transcripts, and self-assessments. Ongoing HR-led

awareness and promotion of these programmes across departments is improving visibility and uptake, strengthening the reliability of utilisation data. To address current limitations associated with service-based data, a UCT-wide wellness survey will establish a comprehensive baseline of physical and mental health, broaden participation beyond service users, and enable the identification of priority risk areas. The combined analysis of programme utilisation, learning engagement, and survey findings is informing targeted interventions and guiding the progressive development of a formal, structured dashboard for ongoing institutional monitoring.

To reduce UCT's carbon footprint

RATING: PROGRESS MADE

The Environmental Sustainability Directorate continued to track and report institutional emissions in line with the Net Zero 2050 target. Progress indicates sustained reductions in Scope 1 and 2 emissions, supported by energy management interventions led by Properties and Services. Ongoing initiatives include energy efficiency measures, infrastructure optimisation, and improved data integration across operational units. The 2025 reporting cycle reflects continued alignment with the baseline year (2019), with incremental reductions consistent with the targeted annual decrease of 2 – 5%. The most recent Carbon Footprint Report for 2024 was published on the UCT website (https://uct.ac.za/explore-uct-sustainability/sustainability-downloads) in November 2025. Work on the 2025 report has begun.

To increase the number of green buildings

RATING: PROGRESS MADE

Campus Planning and Design, in collaboration with the Environmental Sustainability Directorate, continued to implement the Council-approved policy for a Minimum Green Building Construction Standard for all new developments and major refurbishments. Green building principles remain embedded in project planning and delivery within the Programme and Project Management and Infrastructure divisions. Additional projects in planning and implementation phases during 2025 are being designed to meet or exceed Green Star SA standards, with continued application of independent certification and assurance processes. The most recent projects include the Green Precinct Water Recycling Project, where the small interpretive centre building has achieved a 4 Star Green Star rating in February 2026, and on another project, the ARISE building, the project team has begun preparing the Green Star documentation for the audit.

To improve indoor environment quality

RATING: PROGRESS MADE

Progress on indoor environmental quality has been advanced through ongoing maintenance, refurbishment, and infrastructure improvement programmes led by Maintenance and Operations (M&O) and supported by Occupational Health and Safety (OHSE). Interventions include improvements to ventilation systems, lighting, and thermal comfort in selected buildings. OHSE drives an occupational hygiene surveillance programme through an external authorised inspection authority, as per the OHS Act. All non-compliance is measured against statutory requirements and high-risk issues (mould, poor lighting, lack of ventilation, dust, fumes, noise) are prioritised via the sub-committee of the Central Occupational Health and Safety Advisory Committee, through the Compliance Requirements Update Meeting (M&O and OHSE). Although limited funding

significantly constrains a more rapid response, priority is being allocated based on frequency of exposure and risk to occupational health. In parallel, individuals exposed to occupational hazards have been included in the already existing medical surveillance programme driven by the Occupational Health Unit within the OHSE Division.

To reduce water usage

RATING: PROGRESS MADE

Properties and Services continued to enhance water monitoring and management practices through improved data collection systems, including expanded coverage of residences and additional facilities. Water consumption data is now more comprehensively integrated into sustainability reporting processes. Although reported emissions associated with water usage increased due to improved data inclusion, this reflects enhanced measurement rather than increased consumption. Ongoing water efficiency interventions and monitoring efforts are being implemented to support long-term reduction targets, while limited budget is available for large scale implementation. Overall water consumption figures are reported in the Carbon Footprint report available on the UCT website (https://uct.ac.za/explore-uct-sustainability/sustainability-downloads). The green precinct wastewater treatment project has progressed well in 2025 and is nearing completion (due in early 2026).

To reduce electricity usage

RATING: PROGRESS MADE

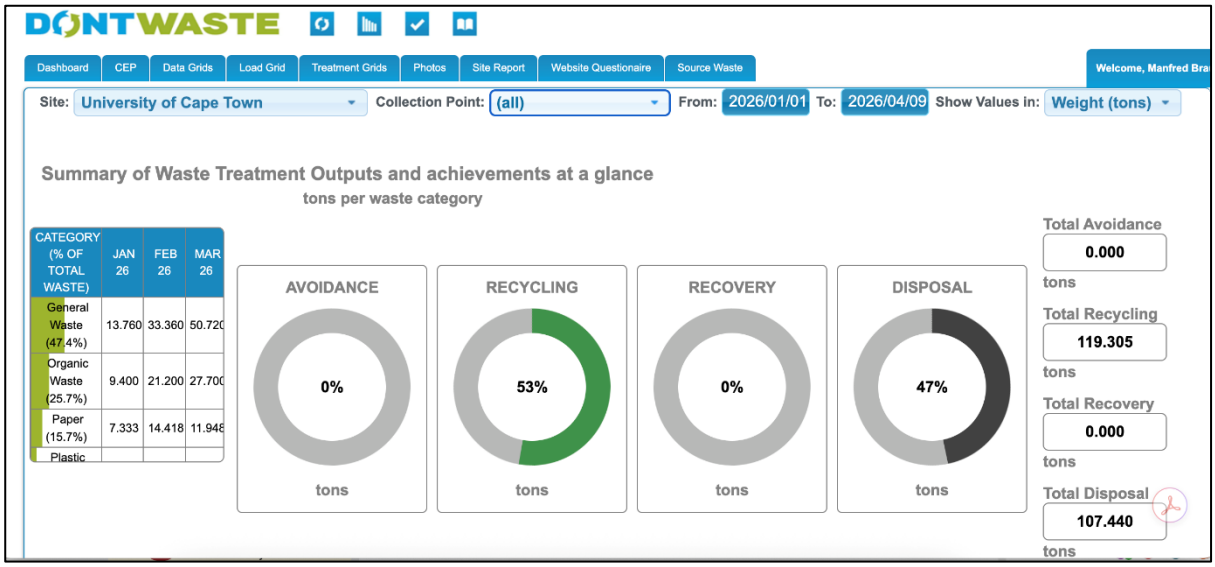
Energy management initiatives led by Properties and Services contributed to stabilisation and marginal reductions in electricity consumption during 2025. Continued impacts of load shedding, combined with efficiency interventions and demand management strategies, have supported reductions in overall energy use. The Environmental Sustainability Directorate continues to monitor overall energy consumption and associated emissions, with adjustments reflecting updated national emission factors. Further optimisation of energy usage remains a priority, but budgets remain constrained for large scale implementation. In 2025 the energy and water metering services went to tender, and a new service provider appointed in January, intending to improve data collection and dashboards. Detailed 2026 energy consumption statistics are available in the Carbon Footprint report available on the UCT website (https://uct.ac.za/explore-uct-sustainability/sustainability-downloads).

To reduce the production of waste

RATING: PROGRESS MADE

Waste management practices under Estates and Custodial Services continued to support waste reduction and recycling initiatives across the institution. Diversion efforts remain in place; however, landfill disposal continues to represent a sizeable proportion of total waste. A new waste recycling contractor was appointed in January 2025 with specific waste recycling targets that ramped up every few months. By the end of 2025, 53% waste recycling was achieved, which is the highest UCT has ever achieved (previously around 17%). The contractor has a live dashboard of waste statistics for UCT (see screenshot in Figure 1 below). Emissions associated with waste have shown a decreasing trend, supported by recycling programmes and improved waste handling practices. Further initiatives are being explored to increase waste diversion rates and reduce landfill dependency (https://uct.ac.za/explore-uct-sustainability/sustainability-downloads).

Figure 1: Screenshot of live dashboard of waste statistics for UCT.



In relation to: Offering holistic, innovative, future oriented education.

Five-year enrolment plan 2026-2030 submitted to DHET.

Rating: ACHIEVED

UCT's five-year enrolment plan for 2026-2030 was approved by Council on the 28th of June 2025 and submitted to DHET on the 30th of June 2025. The plan is accompanied by a narrative submission which sets out UCT's approach, process, and principles in compiling the enrolment plan.

100% of courses migrated to Amathuba.

RATING: ACHIEVED

The Learning Platforms Update Project (LPUP), established in 2020, concluded in 2025 with the completion of the migration from Vula to Amathuba. In total, 2 300 courses were migrated, and the Amathuba platform now serves 37 341 active users across 2 355 course sites.

Develop Amathuba-based analytics.

RATING: ACHIEVED

Performance+ Analytics Builder dashboards have been developed and piloted in 2025 with the Faculty of Science (Science Advising Dashboard). Work is also under way with other Faculties including EBE, Health Sciences and Humanities to define requirements for similar dashboards. In EBE and Science, Faculty leadership has obtained support from course convenors to standardize Amathuba Gradebook use so that the dashboards are able to present a consistent view of student progress across courses. The Course Pass Rate Report is now produced every 6 months by Data Analytics for Student Success for first-semester and whole-year results respectively. This report and an accompanying PowerBI Dashboard is circulated to Faculty Deputy Deans for T&L and presented at Data Analytics for Student Success Committee.

Approval of the UCT Continuing Education Policy

RATING: ACHIEVED

The target to update the policy framework has been achieved, with the policy approved by Council in October 2025.

Approval of the UCT Quality Assurance Framework

RATING: PARTIALLY ACHIEVED

A pilot implementation of the Quality Assurance Framework ran across 2023–2024 and a consolidated pilot review report tabled at Academic Planning and Development Committee in November 2025, which includes findings from the pilot phase and a proposal to transition to programme-level reviews. It was proposed that the Academic Planning and Quality Assurance (APQA) unit engage faculties individually to evaluate feasibility and gather structured feedback, potentially through targeted consultation rather than immediate implementation. Appropriate faculty-level structures continue to be consulted, either Faculty Boards or Faculty Accreditation Committees.

Approval of the Framework for Artificial Intelligence in Education

RATING: ACHIEVED

In 2024 UCT constituted an AI in education working group. Taking various drafts through multiple cycles of stakeholder engagement the final version was ratified by the Senate Teaching and Learning Committee in June 2025.

To establish an integrated, agile, and inclusive student support and advising system in one faculty as a case study

RATING: PARTIALLY ACHIEVED

The Siyaphumelela Science Advising Project is a faculty-wide, three-year initiative aimed at strengthening student success through holistic, data-informed advising and coordinated student support, rather than curriculum reform. The project seeks to improve the Faculty of Science's ability to identify students at academic risk early, respond consistently and effectively, and improve students' experience of accessing information and support. A functional Early Warning System (EWS) has been developed using Amathuba Analytics Builder, integrating data from Amathuba and PeopleSoft. Dashboards track risk indicators such as non-submission, low quartile performance and assessment trajectories. These dashboards have been piloted within the Science Faculty and extended to other faculties, demonstrating scalability.

Two complementary student-facing interventions are also in development:

- A student Portal, designed as a centralised, student-journey-based access point to advising and support information is ready to move into development, pending clarity on ownership and governance.
- A Science Chatbot, which evolved beyond the original proposal, has been piloted for information navigation and student nudging and is being evaluated.

The project has also advanced a developmental advising curriculum framework spanning orientation, first-year

advising, general undergraduate advising, mentorship, and academic recovery. The flagship Impumelelo Programme was implemented in 2025 as a compulsory academic recovery intervention. Evidence shows strong benefits for engaged students, particularly in motivation, belonging, and study strategies, while also revealing structural barriers to engagement.

In relation to: Research solving Afrika's problems

To increase the progression of junior academic staff to research-active status
RATING: ACHIEVED

UCT's Junior Research Fellows (JRF) programme has supported five cohorts to date. Cohort 1 supported ten fellows, one exited UCT in 2023 at the end of the fellowship, one became a permanent lecturer, and the others were given T2 contract positions when their fellowships ended in 2023. From Cohort 2, of the five JRFs, two exited UCT at the end of their fellowship, one became a permanent staff member and two were appointed on T2 contracts. In Cohort 3, of the three JRFs, two are still active and 1 fellow ended their fellowship in the third year and accepted an nGAP post. Cohort 4 and Cohort 5 are still active. Six JRFs from Cohort 4 and seven JRFs from Cohort 5 are employed in accredited research groupings. The current commitment for JRFs to conclusion in 2029 is R14 m. There is currently no call for new JRFs.

To increase the percentage of new permanent academic staff to research-active within the first five years
RATING: ACHIEVED

Each year the Emerging Researcher Programme (ERP) recruits new permanent academic staff into the programme to provide researcher development support through a structured programme. In 2025, the ERP onboarded fifty-five new members. Since 2020 the total number of staff supported has grown from 1014 to 1294. Through the programme researchers receive researcher development grants and attend writing retreats, from which various outputs are produced over a 2-year funding period. For 2025 we awarded seventy-seven researcher development grants and hosted two writing retreats in which twenty-two participants attended.

To increase the number of strategic collaborations with African partners
RATING: ACHIEVED

Active collaborations with partners located in Africa are listed below. Partnerships maintained by an individual Faculty:

- Commerce: The Nigerian Institute for Advanced Legal Studies, Nigeria
- Science: African Institute for Mathematical Sciences (AIMS), South Africa
- Health Sciences: Boitekanelo College: School of Allied Health, Botswana; Ministry of Health Rwanda, Rwanda; St. Paul's Hospital Millennium Medical College, Ethiopia; University of Abuja, Nigeria
- Law: Kwame Nkrumah University of Science and Technology, Ghana
- Humanities: Kwame Nkrumah University of Technology, Ghana; University of Dar Es Salaam, Tanzania
- Engineering and the Built Environment: Malawi University of Science and Technology, Malawi

Partnerships maintained at an Institutional level:

- Confederation of African Football (CAF), Egypt
- University of Namibia, Namibia
- Immersion African, South Africa
- Mandela Institute for Development Studies (MINDS), South Africa
- Plateau State University, Nigeria
- Kwame Nkrumah University of Science and Technology, Ghana
- Global Research Networks
- African Research Universities Alliance (ARUA): Consortium Network (Africa-focussed)
- International Alliance of Research Universities (IARU) Network (global)
- Worldwide Universities Network (WUN) (global)
- Southern African Regional Universities Association (SARUA) Network (Africa-focussed)
- Southern African Nordic Centre (SANORD) Network (Africa-focussed)
- Association of Commonwealth Universities (ACU) Network (Africa-focussed)
- Association of African Universities (AAU) Network (Africa-focussed)
- Agence Universitaire de la Francophonie (AUF) Network (global)

In relation to "Providing thought leadership on social justice"

Approval of the Transformation Benchmarks 2024-2029 proposals

RATING: PROGRESS MADE

The transformation reporting approach has shifted from the transformation benchmark approach to building data infrastructure with key stakeholders in the institution; in so doing, the reporting approach takes an evidence-based approach to engage transformation challenges and successes at UCT. This process is still being rolled out with stakeholders, and the 2024 and 2025 reports have implemented this approach, with the view of strengthening the data-driven approach iteratively. A number of stakeholders and data holders have already been onboarded.

To host two conversation series on transformation as informed by ongoing scholarship

RATING: ACHIEVED

The Anti-racism Conversation Series and the Transformation as a Humanising Praxis Think Tank Series are two initiatives that align to the DVC goal – Scholarship on/in/of and for transformation.

- The Anti-Racism Conversation Series was launched in 2022. The Inaugural Anti-Racism Conversation was hosted on 24 October 2022, with invited speakers Professor Adam Haupt and Dr Lwazi Lushaba.
- On 17 May 2023, the Anti-Racism Conversation Series hosted Professor Salome Maswime and Dr Zamambo Mkhize who focussed on challenges faced by African women in the science, technology, engineering, and mathematics (STEM) fields.
- The Humanising Think Tank Series was launched on 18 July 2023, with invited speaker Dr Benita Moolman exploring the significance of critically examining prevailing ideologies and practices to foster a

truly humanising transformation. She was joined by executive director of GenderDynamix, Liberty Matthys and Babalwa Gusha, relations strategies specialist at the OIC, as panellists.

- The second installation of the Humanising Think Tank Series was hosted on 31 August 2023, with keynote speaker Dr Zamambo Mkhize focussing on low participation and low success rates of black students in STEM subjects nationally. She was joined by two expert panellists: Edwina Ghall, the disability service manager at the OIC; and Gogo Christie van Zyl, an indigenous wellness practitioner, multimedia artist, and social entrepreneur who is currently piloting the Indigenous Healthcare Advisory Service at UCT's Student Wellness Service
- The third installation of the Humanising Think Tank Series focussed on lack of transformation in South Africa's publishing sector, and was hosted on 1 November 2023 with Dr Athambile Masola, a lecturer in UCT's Department of Historical Studies and Anelile Dlamini-Gibixego, an assistant researcher at the Mapungubwe Institute for Strategic Reflection Dlamini-Gibixego sharing the stage.

To increase the number of scholarly outputs that reflect ongoing engagement with transformation and decoloniality.

RATING: ACHIEVED

- Writing Retreat 2024: The Humanising Writing Retreat was an initiative in collaboration with the DVC Transformation, Social Responsiveness and Student Affairs and the Office for Inclusivity and Change. It allowed for contributors to the special issue as well as UCT transformation actors to work on contributions and work in relation to transformation scholarship in October 2024.

- Special issue launch 2025: The special issue launch was a culmination of the three- year project on transformation as a humanising praxis. This brought together the authors as well as UCT academic staff, PASS staff as well as students to centre the published articles and to map the way forward around transformation scholarship. Read more about the special issue launch here: **https://www.news.uct.ac.za/article/-2025-12-17-a-humanising-lens-on-transformation-at-uct**

Performance Against Targets in the 2025 Annual Performance Plan

The data and numbers reported in this section are all based on an early HEMIS submission 2 extract (submitted 30 April 2026). It is likely that there will be minor changes to the final HEMIS 2 submission after the submission of this report to Council.

Student Numbers[1]

UCT's planned headcount enrolment for 2025 was 30 625. This total included 340 occasional students, 18 105 undergraduates, 3 439 postgraduates below the master's level, 6 396 master's students and 2 345 doctoral enrolments. The headcount enrolment was projected to translate into 22 381 full-time equivalent (FTE)

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

enrolments. The actual headcount enrolment in 2025 was 30 305 students, including 473 occasional students, 17 977 undergraduate full degree students, 3 420 postgraduates below the master's level, 6 342 master's students and 2 093 doctoral enrolments. The actual 2025 headcount enrolment therefore fell short of the 2025 target by 1.0% (320 students) despite a 21% (869 students) over-enrolment of first-time entering undergraduates where the target was 4085 and actual enrolment 4952. This is due to 3% under enrolment in postgraduate qualifications (325 students) and 1% under enrolment in overall undergraduate numbers (128 students).

The 2025 headcount enrolment translated into 21 862 FTE enrolments, which was 519 units below the expected FTE enrolment. The lower-than-expected FTE enrolment arose because of the under-enrolment at the level of headcount, compounded by students taking a lighter course load than in prior years. There were negative variances in student enrolments at the undergraduate level (17 977 compared to a target of 18 105), at the master's level (6 342 actual against a 6 396 target) and at the doctoral level (2 093 against a target of 2 345), the enrolment at the postgraduate below master's level was also lower than planned (3 420 against a target of 3 439). This is like the pattern from 2024. The 2025 occasional enrolment, which includes the Semester Study Abroad enrolment, exceeded the 340-target, enrolling at 473.

Changes in retention patterns, i.e. more students progressing year on year has prompted an intentional increase for the first-year intake since 2023 to mitigate against falling below our total undergraduate projections. The 2025 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 2025 were as follows: 45% in SET, 21% in Business/Management, 3% in Education and 31% in the broad Humanities.

Demographic Statistics

The targeted racial profile of the 2025 South African enrolment was 49% African, 18% coloured, 8% Indian and 24% white. The actual demographic profile of the 2025 South African enrolment was as follows: 50% African, 18% coloured, 8% Indian, 21% white and 4% undisclosed. Actual enrolment marginally exceeds targets for African students while enrolment of white students is lower than target by 3%.

Table 8 : Headcount enrolments 2021-2025, showing percentage growth on base

	2021	2022	2023	2024	2025	%change
SA African	8 787	8 259	10 414	12 300	13 156	50%
SA Coloured	3 753	3 514	4 149	4 652	4 843	29%
SA Indian	1 580	1 442	1 819	2 021	2 056	30%
SA White	4 899	4 222	5 261	5 733	5 574	14%
International	3 658	3 702	3 526	3 718	3 735	2%
Unknown	6 931	8 072	3 862	972	941	-86
	29 608	**29 211**	**29 031**	**29 396**	**30 305**	**2%**

*** Percentage change is calculated as the difference between 2021 and 2025, divided by the base level of 2021, and converted into %.**

A disproportionate but desirable increase in SA African enrolments (50% against an overall increase of 2%) is apparent. Over the 2021 to 2025 period, SA White enrolments increased by 14%, SA Indian enrolments increased by 30% and international enrolments increased by 2%. At the same time the proportion of students with who were marked as Unknown population group has decreased over the last five years, showing a truer reflection of the demographic profile. Over the last decade the proportion of SA African and SA Coloured has increased substantially due to UCT's commitment to transformation of the student body. Table 9 shows headcount enrolments by race as a percentage of total.

Table 9:Headcount enrolments 2021 - 2025 by race, showing percentage of total.

	2021	2022	2023	2024	2025
SA African	8 787	8 259	10 414	12 300	13 156
% of total incl. International	30,1%	28,4%	35,4%	41,8%	43,4%
% of total excl. International	34,4%	32,4%	40,6%	47,9%	49,5%
SA Coloured	3 753	3 514	4 149	4652	4 843
% of total incl. International	12,8%	12,1%	14,1%	15,8%	16,0%
% of total excl. International	14,7%	13,8%	16,2%	18,1%	18,2%
SA Indian	1 580	1 442	1 819	2 021	2 056
% of total incl. International	5,4%	5,0%	6,2%	6,9%	6,8%
% of total excl. International	6,2%	5,7%	7,1%	7,9%	7,7%
SA White	4 899	4 222	5 261	5 733	5 574
% of total incl. International	16,8%	14,5%	17,9%	19,5%	18,4%
% of total excl. International	19,2%	16,6%	20,5%	22,3%	21,0%
International	3 658	3 702	3 526	3 718	3 735
% of total incl. International	12,5%	12,8%	12,0%	12,6%	12,3%
Unknown	6 931	8 072	3 862	972	941
% of total incl. International	23,7%	27,8%	13,1%	3,3%	3,1%
% of total excl. International	27,2%	31,6%	15,0%	3,8%	3,5%
TOTALS	**29 608**	**29 211**	**29 031**	**29 396**	**30 305**

***% of total including international is calculated as the race count divided by the total number of students for that year and then converted into a percentage.**

****% of total excl. international is calculated as the race count minus the international count, divided by the total number of students for that year and converted into a percentage.**

Student Housing

The projected and planned capacity for 2025 was 8 173. Table 10 presents the comparison between planned bedspaces and actual bookings as of 15 March 2025. At the start of 2025, the total number of beds available in the system was 8 189 down from 8 215 in 2024.

Table 10 below outlines the planned bed space plan per residence *tier, including the allocation of new and returning students, as well as university-leased residences. A total of 8 233 students were accommodated within the residence system on 15 March 2025, achieving a 101% occupancy rate based on the actual capacity. The additional beds were made available by converting vacant wardens' accommodation to once off students' accommodation.

The number of new undergraduates accommodated was 2 605, surpassing the allocation target by 16%. The remaining 5 628 beds were occupied by continuing students and postgraduates.

Table 10: 2025 Residence bookings and available spaces by tier

Residence Tier	Student	Planned Capacity	Occupancy
First	New	2 100	2 317
	Returning	2 145	1 954
	TOTAL	**4 245**	**4 271**
Second	New	150	100
	Returning	2 142	2 219
	TOTAL	**2 292**	**2 319**
Third	New	400	427
	Returning	301	283
	TOTAL	**701**	**710**
Total Campus Accommodation	New	2 650	2 844
	Returning	4 588	4 456
	TOTAL	**7 238**	7 300
Leased Accommodation	New	935	293
	Returning		640
	TOTAL	**935**	**933**
Overall	New	8 173	3 137
	Returning		5 096
	TOTAL	**8 173**	**8 233**

***The University of Cape Town (UCT) structures its student accommodation into a three-tier system designed to support students at different stages of their academic journey. Tier 1 is for first-year and younger undergraduate students. Tier 2 is for senior undergraduate students (second year and above) and postgraduates. Tier 3 is for mature and senior postgraduate students (Honours, Master's, and PhD).**

Student Success Rates

UCT expected in the region of 8 130 graduates in 2025. This target included a projected 4 048 undergraduate completions, 2 328 completions below the master's level, 1 463 master's graduates and 291 doctoral graduates. To date, we have recorded 8 330 graduates in respect of 2025, made up of 4 029 undergraduate completions, 2 355 postgraduate completions below the master's level, 1 652 master's graduates and 294 doctoral completions. Graduations exceeded targets in all categories except undergraduate which fell 19 students short.

Among the graduates to date, 42% were in SET, 24% were in business/management, 4% were in education and 29% were in the broad humanities. The 2025 graduate total included 836 research master's graduates in all disciplines (against a target of 804).

The expected 2025 graduate outputs in the scarce skills areas include 561 undergraduate Engineering graduates, 252 undergraduate Life and Physical Sciences graduates, 329 undergraduate Human Health graduates and 160 Teacher Education graduates. Actual graduates in the scarce skills areas included 462 Engineering graduates, 208 graduates in the Life and Physical Sciences, 443 Human Health graduates and 133 Teacher Education graduates. Graduate targets were not met in all groups except Human Heath which exceeded expectations by 114 enrolments. The undergraduate (HEMIS levels 41, 42 and 43) course success rate in 2025 was 90% against a target of 85%, while the overall course success rate was 84% against a target of 83%. The overall FTE success rate was 84% over a target of 83%.

The 2025 undergraduate course success rates among South African and international students are shown in Table 11 below:

Table 11: 2025 UG course success rate by race

SA African	SA Coloured	SA Indian	SA White	SA undisclosed	International	Overall
87%	91%	93%	96%	91%	92%	90%

The undergraduate course success rates in 2025 thus ranged between 87% (for SA African students) at the lower level and 96% for SA white students, at the upper end. The overall success rate is 90%. The gap between SA African and SA White sits at 9%, 1 % up from 2024. The overall course success rate is up from 86% since 2024. Course success rates in the scarce skills areas were as follows: 87% in Engineering, 88% in the Life and Physical Sciences, 98% in Human Health and 98% in Teacher Education.

The data for 2021 cohort data was not available as of 12 May 2025. Examination of the longitudinal performance of the 2020 first-time entering (FU) undergraduate bachelor's cohorts, excluding Health Sciences entrants, shows the following:

- 72% of the 2020 FU cohort had completed an undergraduate qualification within five years of registering at UCT.
- 12% of the 2020 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 2020 cohort was 12%.
- 5% of the 2020 FU cohort were still busy with undergraduate studies at the end of 2025.

Research Outputs

The table below includes the 2024 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. The 2025 actual weighted research outputs translates to a ratio of 2.67 weighted units per permanent instruction/research staff member.

Table 12: 2024 Research outputs

Output category	Outputs for 2024	Targets 2025	Actuals 2025
*Publication Units	1 530	1 586	1 656
**Master's Graduates (Research Output Units)	728	613	856
***Doctoral Graduates (Research Output Units)	867	873	882
Total Weighted Research Outputs	**3 125**	**3 072**	**3 394**

*Publication Units are provisional. *The research outputs is based on provisional data which includes the unit claims we have recently submitted. These submissions will go through DHET review and audit. The final report is generally available in December or early in the new year. The units provided are made up of: Authored Books: 247 units, Chapters: 81,8 units, Proceedings: 60,9 units, Journal articles: 1 266,3 units. The total unweighted units are 1656.* reflecting units submitted to the DHET. Research master's and doctoral graduates are also provisional, extracted from an early HEMIS Submission 2.

** It is not a simple translation between the number of graduates at master's level and research output units as the research output graduate units reflect the proportion of the dissertation component of the masters taken by the student.

*** In 2024 we had 289 Doctoral graduates and 294 in 2025 according to HEMIS sub 2. This translates into research output graduate units of 867 in 2024 and 882 in 2025. This is based on a calculation of number doctoral graduates x3.

Academic Staffing

UCT's 2025 HEMIS staffing submission shows that a total of 1 276 (against a target of 1 208) permanent instruction/research or academic staff were employed in the six faculties and in CHED. This is higher than the 2024 total of 1 204. The 2025 academic staffing headcount translated into 1 708 instruction/research staff FTEs (against a target of 1 830). The proportion of permanent, full-time academic staff qualified at the doctoral level in 2025 was 68% (66% in 2024). A further 25% 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 13 below:

Table 13: Performance against key indicators

Key Performance Indicator	Actual *Year n-1 (2024)*	Target *Year n (2025)*	Actual *Year n (2025)*
Access			
Headcount totals			
First-time entering undergraduates	4 457	4 080	4 954
Headcount Enrolments (Foundation Provisioning) - first year	700	800	866
Headcount enrolments	29 396	30 319	30 305
Headcount enrolments total UG	17 518	18 076	17 977
Headcount enrolments total PG	11 439	11 924	11 855
Enrolments by major field of study			
SET	13 363	13 943	14 045
Business/management	6 068	6 435	5 790
Education	809	907	710
Other Humanities	9 156	9 034	9 760
Distance education enrolments	10	205	11
Success			
Graduates UG (undergraduate certificate and diplomas and bachelors degree qualifications)	3 770	4 038	4 029
Graduates PG (postgraduate diplomas, Honours, Masters, and Doctoral qualifications)	3 795	3 983	4 301
Overall FTE Success Rate	86%	82%	84%
Undergraduate output by scarce skills			
Engineering	420	559	462
Life and Physical Sciences (CESM 13 and 14)	211	252	208
Human health	411	329	443
Teacher education (PGCE)	160	160	133
Efficiency			
Instruction/Research professional staff			
Headcount of permanent instructional/research professional staff	1 204	1 208	1 276
FTE of permanent instructional/research professional staff	1 596	1 830	1 708
Ratio of FTE students to FTE instructional/research staff	13	12,14	12,8
Publication units per instruction/ research staff	2,56	1,31	2,67
Research master's graduates	728	788	856
Doctoral graduates	289	288	294

NOTES ON TABLE 13

Access1

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. 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.

Success

Undergraduate output by scarce skills: UCT will continue with the strategies that have been used historically to ensure good output in the scarce skills i.e. the winter school, the bootcamps, the mentoring programmes etc.

Efficiency

Instruction/Research professional staff: 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 terms of headcounts and FTEs keeps up with growth in enrolments.

Research Output

There is an increasing awareness at UCT that more attention must be paid to the postgraduate sector and support ecosystem. The range of interventions in this regard include increasing postgraduate student support (e.g. financial support, skills development, and supervision) and enhancing efficiencies in administration (regarding admission and registration, central funding, student housing, and faculty postgraduate administration, thesis examination). The Office for Postgraduate Studies (OPGS) offers a wide range of cross-disciplinary research and professional development seminars and workshops (over 100 in 2025) specific to different levels of study and stages in the academic career, across all faculties. Seminars, workshops and events focus on induction into postgraduate studies; research processes, proposal development and research ethics; scientific communication, presentation skills, academic writing and publishing; the postgraduate teaching and learning process (including supervision relations); project management and financial management; social responsibility and community-engaged research; career development and entrepreneurship; and personal mental health and wellbeing along the academic journey. Some of these initiatives are departmental, faculty and student-led but offered in collaboration with the OPGS while others are developed and delivered in-house. Attendance of postgraduate events is fast increasing and reached nearly 4,810 in 2025. Libraries and Digital Library Services also reported an increase attendance ***of their*** *postgraduate events.*

Report on Earmarked Grants

The following sections provide an overview of a number on 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 University Capacity Development Programme, funded by the Department of Higher Education and Training (DHET), advances the transformation agenda within universities in staff development, student success, and curriculum development. The UCDP comprises three sub-programmes: the institutional grant, university-led collaborative projects, and nationally led initiatives. DHET funding is released in tranches over the fiscal year for the University Capacity Development Grant (UCDG) and at the beginning of the funding period for UCDP Collaborative Grants, with most nationally led initiatives receiving full funding upfront.

UCT received DHET funding for institutional projects totalling approximately R43 million (dependent on DHET adjustments) over the 3-year period (2024-2026). The cumulative funding distribution is: 38.7% for student development/support, 55.4% for staff development, and 5.8% for curriculum and cross-cutting focus areas. Total funding awarded to the institution in 2025 was R13 897 000. Monthly project expenditure reports, generated by the CHED Finance Unit, were provided to the Institutional Manager for discussion with projects at quarterly meetings.

To accommodate the late transfer of funds in 2025, the DHET extended project implementation period from December 2025 to March 2026. Project teams are concluding their activities and expenditure for 2025. Table 14 provides a breakdown of UCDG project funding allocations. The DHET commended UCT on the quality of its UCDP annual progress report for the second consecutive year. The 2025 UCDG annual report will be submitted to the DHET in May 2026, and projects are currently preparing their final annual reports.

Table 14: UCDG project funding allocation for 2025

Focus Area	Project Name	Amount Awarded in 2025
Student Success	Enabling Undergraduate Student Success	R 3 955 905
Student Success	Enabling Postgraduate Student Success	R 327 610
Staff Development	Staff Research Development	R 3 150 400
Staff Development	Staff Leadership Development	R 472 800
Staff Development	Tutor Development Programme	R 2 095 420
Staff Development	Staff Development in Assessment & AI	R 520 350
Staff Development	Innovative Pedagogies & Resources in Mathematics	R 543 815
Staff Development	Developing Course Evaluations for Impact	R 379 000
Staff Development	Enhancing Academic Capacity, Leadership & Change Agency for Curriculum Transformation in Health Sciences	R 730 000
Curriculum Development	Enhancing Graduate Tracking to Inform Curricula	R 86 700
Cross-Cutting Focus Areas	UCDP Grant Management	R 1 635 000
TOTAL		**R 13 897 000**

University Capacity Development Grant Collaborative Grants

University-led collaborative projects are selected by DHET based on strategic importance to the higher education system and sector-wide participation. UCT has one university-led collaborative project entitled "Enabling Registrar Success through Transformed Assessment" located in the Faculty of Health Sciences, now in its final year of a three-year implementation period. Table 15 provides detail on the UCT-Led Collaborative Grant in 2025.

Table 15: UCT led collaborative grants 2025

Project	Remaining balance (2026)	Project Status
Workplace-Based Assessment: Faculty of Health Sciences	R 238 344*	The project concluded its activities in 2025. Remaining funds will be rolled over to phase two of the project, as approved by the DHET.

**Includes interest accrued*

Clinical Training Grant

Established in 2008, the Clinical Training Grant (CTG) supports clinical training within the Bachelor of Medicine and Surgery (MBChB) program, addressing funding gaps from sources such as the DHET Input Subsidy, the Health Professional Training Development Grant, and other streams. The CTG has become vital for UCT, providing essential funding for high-quality training programs in medical and other health sciences fields. Currently, the CTG supports the MBChB and MMed programs, as well as Physiotherapy, Occupational Therapy, Speech- Language Pathology, and Audiology programs. These funds are crucial for salaries of clinical training and administrative staff, equipment, and operational costs.

For the 2025/26 grant period, UCT received R57,8 million, a 1% increase from the previous period. Over the past five years, the grant has decreased in real terms compared to annual inflation and relative to increasing medical student numbers. Despite the 2023/24 grant reflecting an increase, it effectively only represented a 5% increase from the 2020/21 budget over a 5-year period. These reductions place pressure on the CTG budget considering inflationary and salary increases. Fluctuations in the grant impact planning and operational continuity, particularly concerning staff appointments under permanent conditions (see

Figure 2 below). The 2026/27 grant amount reflects a further 9% reduction, which will likely impact core teaching, as posts may need to be made redundant. See Table 16 for 2025/26, grant allocation and expenditure (unaudited). The shortfall of R2,8 million will be covered by interest earned on investment.

Figure 2: Clinical training grant allocations.

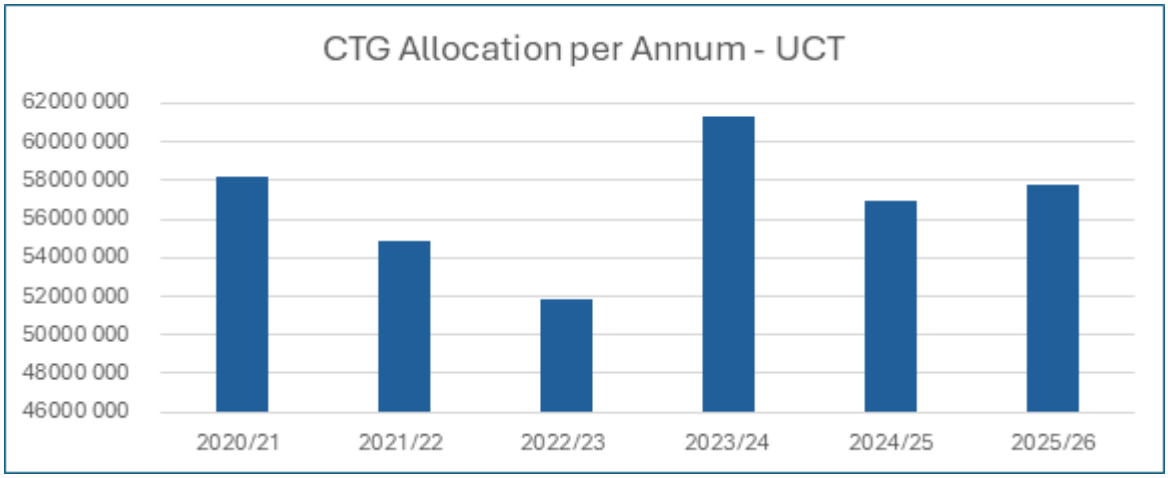


Table 16: 2024/5 CTG allocation and spend

Category	Grant Allocation (ZAR)	Total Spend (ZAR)
Clinical Staff	R 45 349 771	R 47 987 486
Support Staff	R 11 966 379	R 11 965 446
Operating Costs	R 508 850	R 654 771
Equipment	-	-
Buildings	-	-
TOTAL	**57 825 000**	**60 607 703**

National Student Financial Aid Scheme

The National Student Financial Aid Scheme (NSFAS) continues to play a central role in enabling access to higher education in South Africa and remains the largest funder of undergraduate financial aid at the University of Cape Town (UCT). In 2025, NSFAS supported more than 5 300 UCT students through submitted registration data, reinforcing its critical influence on institutional stability and student success.

Impact on Students and the University

NSFAS funding remains essential for thousands of financially vulnerable students. However, ongoing operational delays and system challenges continue to affect student wellbeing and academic continuity. In 2024, UCT projected a R110 million accommodation-related shortfall due to the NSFAS accommodation cap, affecting more than 3 200 students in university residences. This pressure carried into 2025 as the cap remained in place, contributing to ballooning fee debt and impacting students' mental wellbeing, ability to

graduate and register. UCT remains committed to fundraising initiates to assist affected students, however the sheer scale of the accommodation funding shortfall has been insurmountable.

The introduction of the “Missing Middle” loan scheme provided some relief for students with family incomes above the NSFAS threshold. NSFAS confirmed 71 UCT students as provisionally eligible for this scheme in 2025, though final approval remained dependent on enrolment in qualifying STEM programmes. Regrettably NSFAS has still not made payment for any of the 2025 loan students, continuing the same late payment trend experienced for the 2024 loan students. In addition, NSFAS has failed to implement funding renewal for loan recipients, as well as approval for students studying postgraduate programmes. The implementation of the Missing Middle Loan Scheme continues to significantly fail eligible students.

UCT continued to support 81 students through its own GAP funding programme because the national loan scheme system remains operationally incomplete.

UCT increasingly provides food parcels and emergency assistance as many students experience food insecurity and late access to allowances, reflecting persistent instability in the financial aid system.

Operational Challenges in 2025

Multiple challenges observed in 2024 continued into 2025. These included:

- Delays in appeal outcomes, funding renewals and first-time funding decisions, with many cases unresolved well after the academic year began.
- Inadequate migration of returning students’ funding records, requiring manual follow-up by university staff.
- Closure of the NSFAS registration submission portal on 17 April 2025, despite NSFAS continuing to release new funding decisions after this date. Institutions were later informed that only registrations submitted up to 14 April would be paid. This decision left a significant number of eligible students without claimable funding until late into the year, when NSFAS re-opened the portal for further registration submissions for eligible students. These late submissions significantly affected students’ wellbeing and food and accommodation security.
- Ongoing un-funding of students due to income verification errors and N+ rule issues, including cases where successful appeal decisions had not been implemented. Verification of these incorrect decisions remained outstanding from mid-2024 into 2025.
- Late payment of 2024 unfunded students that was re-processed through the Above Threshold Project was only paid in December 2025, resulting in funding renewal for 20025 not being processed.
- Slow or absent communication and delayed responses to institutional queries, which continue to place administrative and emotional strain on students.
- Lack of proper systems for missing middle loan students; renewal, approval and payment processes.

- Significant delays in the disbursement of tuition payments, up to 2,5 months behind in payments at one point thereby affecting the university's cash flow.

In a public statement on 23 May 2025, NSFAS and DHET acknowledged that some eligible students still had unprocessed applications, noting that NSFAS had already fully utilised its budget. This further illustrates the widening gap between policy commitments and operational capacity.

Sector and Institutional Implications

The persistent funding and administrative challenges pose risks to academic performance, enrolment stability and campus climate. Students with delayed or uncertain funding remain vulnerable to food insecurity, accommodation instability and potential exclusion due to unpaid fees. These pressures increase the likelihood of campus protests and contribute to financial strain on universities, which must absorb unpaid costs in residences and academic programmes and ballooning student fee debt.

NSFAS remains indispensable to UCT's mission and to the transformation of South African higher education. However, the recurring operational challenges in 2024 and 2025 highlight the urgent need for strengthened systems, improved communication and more predictable implementation processes. UCT will continue advocating for and partnering with NSFAS to ensure a stable, fair and functional financial aid environment for all students from low income and missing middle households. The university remains committed to finding collaborative solutions to systemic weaknesses and protecting access to higher education for students.

Foundation Provision Grant

The Foundation Provision Grant complements the Teaching Output Sub-Block Grant for undergraduate funding. Its primary purpose is to improve the academic performance of first-time entering undergraduate students at risk of failing or dropping out. These students are placed in extended curriculum programmes (ECP) approved by the Department of Higher Education, which are one year longer than the regular qualification. In 2025, UCT offered 15 Extended Curriculum Programmes across the faculties of Commerce, Engineering and the Built Environment, Humanities, and Science. The Health Sciences Intervention Programme has been discontinued, and an alternative approach is being implemented in the faculty to support students, while a new ECP is being developed for ministerial approval. The University of Cape Town made a substantial additional financial contribution to ensure the responsible delivery of these programmes, signalling the importance placed on students' equity of outcomes and equity of success.

The DHET allocation to UCT for 2025 was R 15,3 million. A total of 866 first-time entering students were enrolled in extended curriculum programmes in 2025, compared with 743 reported in 2024. UCT continues to provide foundation provision in extended curriculum programmes, offering students structured opportunities to succeed at a higher education level.

New Generation of Academics Programme

The New Generation of Academics Programme (nGAP) is the most successful academic staff development programme of the DHET created under the Staffing South Africa's Universities Framework (SSAUF) to improve academic staffing at universities. At UCT the programme has gone beyond addressing challenges such as inequality of representation, aging academic staff cohort, unfavourable staff/student ratios, low throughput rates, and expertise shortages, to a focus on strengthening the quality of these new staff. The nGAP at UCT uses its cohort system to enable nGAP lecturers to develop networks and contribute to a more equitable institutional culture. This is done through various initiatives within the programme, namely, the mentoring programme, the annual nGAP colloquium, newly implemented Accelerating Authoring project (AA).

Since inception in 2026, the programme has acquired more than 44 nGAP positions at UCT across faculties. Recruitment processes are underway for Phases 10 & 11 which are the latest acquisitions. Lecturers from Phases 1-5 have completed the programme, but stay on as mentors to new incumbents. This is an important practice that is being nurtured as it is seen as a strategy to keep an internal network of academic peers and nGAP members from different phases connected across faculties.

Several of our lecturers are making great strides in their respective disciplinary spaces. They are recipients of prestigious awards, and many get accepted to acclaimed academic conferences worldwide.

Table 17: nGAP budget and posts over the ten phases

nGAP Phase	Budget received from DHET	Number of posts awarded
Phase 1	R 10 925 000	5
Phase 2	R 9 330 932	4
Phase 3	R 7 500 000	3
Phase 4	R 12 500 000	5
Phase 5	R 12 500 000	5
Phase 6	R 12 955 550	5
Phase 7	R 13 741 800	5
Phase 8	R 10 993 440	4
Phase 9	R 11 479 352	4
Phase 10	R 12 030 360	4
Phase 11	R 15 037 950	5
Total	**R 128 994 384**	**49**

DHET Funded Infrastructure Projects

This report provides a narrative of the infrastructure projects at the University of Cape Town (UCT) and should be read in conjunction with the audited financial statements, and factual findings report. This report focuses on project objectives laid out in the Annual Performance Plan for 2025.The figures provided in the report have been updated in line with the reporting date of 31 December 2025. Projects completed in prior years have not been included in this report.

INFRASTRUCTURE FUNDING FOR 2020/21: (FIFTH CYCLE)

Water Sustainability Project: R80 million (UCT contribution R10 million)

Given the water scarcity issues experienced in the Western Cape in recent years, there was 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. In addition to the moral and environmental obligation, the cost of water and water services in the city continues to rise. Funding was requested to develop a sustainable water management strategy and implement systematic interventions to reduce municipal water consumption in student residences. This is meant to enable water saving and recycling through a range of 'fit for purpose' interventions. Following the appointment of Zutari as consultant engineers and PDNC as programme manager, a water strategy plan was developed which detailed the pillars of the project and the related water saving initiatives required to achieve the Vision 2030.

For many years UCT has been pioneering research into the application of Water Sensitive Urban Design (WSUD) and has established the Future Water Institute. 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 (WSMS). This Strategy is UCT's commitment to ensure Business Continuity and to achieve a state of water Net-Zero by no later than 2050. Primary objectives of the WSMS are:

- 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 spending on water 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.
- To grow teaching and research on sustainable water management, and related social responsiveness of UCT.

Active Sub-Projects:

<u>Business Continuity Proposal</u>

Strategizing and drafting a "DayZero" business continuity plan pertaining to water that is in correlation with the university's overarching plan. The scope of this plan is to:

- Identify possible types of events and emergency situations.
- Identify assets – potential water sources.
- Have emergency procurement and logistics contingencies.
- Identify an emergency response team/committee.
- Address readiness condition frameworks and protocols.

- Have a communication and education programme.
- Develop a response plan.
- Mobilise resources.
- Understand ground water utilization and transportation.
- Post event review, monitoring and maintenance.
- Review and update the emergency response plan for events such as:
    - Low pressure scenarios.
    - Water network down due to planned maintenance (UCT or the City) – scenarios for different durations.
    - Water network down due to unplanned maintenance (UCT or the City) – scenarios for different durations.
    - Severe water quality issues making the City's water unusable.
    - The Day Zero drought scenarios.

Project Status: RFQ developed and issued to selected consultants as a specialized piece of work. The tender was issued in August 2025. Bidders evaluated and presented to UCT, but estimated costs were higher than expected. Subsequently, it was agreed that PDNC and Zutari would make a proposal to develop the plan jointly within the parameters and budget set out. A proposal was submitted and has been tentatively accepted. This will be activated following the final account of the Green Precinct. The expected project duration is 3/6 months starting in May 2026. **Project Budget: R 1 050 000**

Additional Smart meters

An additional piece of work is to complete the missing links in the Terra Firma water consumption dashboard. Zutari has been tasked to determine the total number of check meters required to record the total water consumption at each campus and include Upper Campus, Lower Campus, Health Sciences Campus and Hiddingh Campus. This approach will enable recording of the overall potable water consumption for each by:

- Obtaining and analysing the existing potable water infrastructure (Both survey + City of Cape Town records).
- Identifying the size and location of the municipal supply where possible, or to otherwise make reasonable assumptions.
- Compile a diagram showing the recommended locations to install check meters.
- Prepare a costing summary to carry out the work, based on the sizes, and quantity of smart water meters at each campus.

Project status: Not started. Proposal from Zutari presented and tentatively. Awaiting final account of Green Precinct project. The expected project duration is 3 months starting in April 2026. **Project Budget: R 991 442**

Green Precinct

This is the flagship project of the programme, which aims to introduce a treatment plant and interpretive centre to supply water to Kopano residence for toilet flushing and irrigation. It also includes a programme to promote water saving around the campus. The project scope has been defined to include the following key aspects:

Waste water treatment infrastructure:

- Construction of new pumped sewerage supply line across site.
- Construction of buffer tanks for primary treatment of sewerage.
- Installation of secondary treatment container, using membrane bio-reactor system, with earthworks /retaining structure as required. ('plug-in' mechanical component).
- Controlled access will be allowed to valve for taking water samples, probes etc. at various stages of the treatment process.

Interpretive Centre:

- New building to optimize the functional and educational opportunities created by the wastewater treatment system; with the following characteristics and functions:
    - Main space, which is a flexible open plan space to accommodate groups up to 25 people for teaching, research, conferencing and social functions.
    - A small-scale laboratory, adjacent to the main space, for occasional research and demonstration purposes. The lab is separated from the main space by folding stacking doors so that it can be integrated with or separated from the main space as needed.
    - Small storeroom, to allow furniture storage, enabling flexible use of the main space.
    - Small tea kitchen.
    - Two Water Closets, one with external access.
    - Universal access for people with limited mobility is provided.

Landscaping:

- New landscaping to showcase the benefits and practical applications for wastewater treatment, as well as to provide a new recreational space and amenity for UCT, with the following characteristics and functions:
    - Construction of tertiary treatment wetland.
    - Provision of outdoor paths and benches, and soft landscaping (planting).
    - Provision of informal planted 'amphitheatre' / terraced seating for small outdoor gatherings in a natural environment.
    - Reinforce existing established landscape elements, such as mature trees and the historic Welgelegen path alignment.
    - Provision of paths and routes allowing limited mobility access on to the site.
    - Provision of an informal 'kickabout' lawn for occasional sport / social / recreational use.

Project Status: Contract appointment made in June 2025. Construction was due to commence in July 2025 but was delayed due to adverse weather conditions. Construction timelines have subsequently extended from

completion by the end of 2025 to March 2026. The project is on track to reach practical completion at this revised date. Wastewater treatment plant is on site with the Interpretive Centre building completed. The remaining items include landscaping of the site (large piece of work due to topography and including of features such as ponds and gardens), installation of CCTV Access control and Network requirements, testing and commissioning of the wastewater treatment plant. All CoCT requirements are in place, and the project has been confirmed to have achieved a level 4 Green Star rating. This project will include a 2-year maintenance SLA with Alveo (WWTP sub-contractor) to operate and monitor the plant commencing after commissioning. **Project Budget: R27 381 779**

Spending is expected to increase rapidly due to the short construction period of the Green Precinct project and its conclusion in early 2026. As the project is at its final stages, the team has commenced with compiling remeasurements and other items as per the terms and conditions of the contract. The final 2 projects (business continuity and additional smart meters) are on hold until the Green Precinct is completed. Remaining programme funds can facilitate the outstanding projects as it stands. **At December 2025, expenditure was R51,7 million, of which R49,5 million was funded from DHET.**

INFRASTRUCTURE FUNDING FOR 2024/25: 7th IEG CYCLE

The seventh allocation cycle covers 2024/25 – 2026/27. Allocation letters are due to be issued to institutions during April 2026. Phase 1 of the allocation was disbursed on 31 March 2025, amounting to R110,1 million as shown in the table below.

Table 18: The seventh allocation

Project	**Allocation transferred on 31.03.2025**
Buildings Backlog/Deferred Maintenance	R 12 362 591
Apprenticeships, Internships & Work Integrated Learning	R 5 000 000
Polar Research Lab	R 88 996 000
Seed Funding: Sustainable Campus Plan Infrastructure Project(s)	R 3 730 769
	R 110 089 360

All other allocations/projects that were recommended under the withdrawn submission will be incorporated into the Phase 2 recommendations. This includes main funding for the Sustainable Campus Plan Infrastructure Project(s) and the balance on the Polar Research Lab project.

Buildings Backlog/Deferred Maintenance: R12.4 million

Sarah Baartman Hall (R7,9 million)

Situated at the heart of the esteemed UCT upper campus, this iconic building boasts a rich history intertwined with the university's legacy. Serving as a focal point in the journey of every UCT student and staff member, it remains a hub of activity and admiration amidst the backdrop of the renowned Table Mountain. From hosting examinations to commemorating graduations, its significance resonates daily. In the past decade, UCT has faced financial challenges exacerbated by events such as the Covid-19 pandemic and the devastating fires of 2021. Consequently, scheduled maintenance for Sarah Baartman Hall had been deferred, leading to a decline in its condition. The continuous use of the hall has exacerbated this deterioration, posing safety risks in certain areas. A comprehensive condition assessment conducted in 2023 delineated the necessary remedial works to enhance the building's condition. The estimated cost for these repairs totals R 20 million, with a request of R 8 million submitted to DHET to facilitate the comprehensive overhaul.

Heritage Western Cape issued a permit on December 20, 2023, enabling the commencement of minor works at Sarah Baartman Hall, in accordance with the findings of the condition assessment. Due to the hall's extensive year-round utilization, the planned works were executed in phases during June/July and December/February end-of-term periods for 2024 and 2025. **At December 2025, expenditure was R7 million, all funded from DHET.**

HW Pearson (R4,5 million)

The HW Pearson building stands as a testament to UCT's commitment to excellence in education and research, its architectural grandeur a symbol of the university's enduring pursuit of knowledge and innovation. This structure was among the many buildings significantly damaged by the April 2021 fire. In addition to the fire-related destruction, this historic building has endured years of financial constraints hindering scheduled maintenance efforts. As repairs for the fire damage are underway, addressing the substantial backlog of maintenance, estimated at R 5,8 million, is imperative to uphold the integrity of teaching, learning, and research activities conducted within its premises. A portion of the 2024/25 DHET deferred maintenance funds, totalling R 4,5 million, has been earmarked for this project. Following a comprehensive condition assessment, minor works are scheduled to start in Q3 2026, with completion anticipated in Q3 2027, contingent upon additional funding.

POLAR Research Laboratory: R89 million

To date, Stage Two of the project has been completed, encompassing scope clarification, conceptual drawings, and a schedule of accommodation. The upcoming stages involve crucial tasks such as developing detailed architectural and engineering designs, determining the heritage and urban placement of the facility, and establishing a pre-construction budget. This requires assembling a comprehensive design team comprising architects, engineers, quantity surveyors, and heritage practitioners. The detailed design process will not only refine the project's architectural vision but also play a pivotal role in estimating post-construction operational costs. This information is vital for ensuring the project's long-term feasibility and will inform precise project budgeting and funding strategies. Funding has been secured from DHET and UCT. At this stage UCT are unable to update DHET with certainty on the timelines for construction and provide realistic cashflow projections.

Infrastructure Sustainability Plan: R 3.7 million

The Sustainable Campus Plan infrastructure projects are projects that will ensure the sustainability of the provision or use of electricity, water, wastewater or waste management services across our campuses. Therefore, this includes projects under the energy plans.
The allocated funds will be directed towards the refurbishment of the MCB substation, a critical component of UCT's electrical infrastructure. This includes the replacement of the legacy transformer, which is essential to modernize and stabilize the university's power distribution network. The upgrade forms part of UCT's broader Sustainable Energy Transition Strategy, aimed at ensuring that all new and future energy generation capacity, particularly renewable sources, can be integrated without compromising the integrity of existing infrastructure.

Furthermore, this initiative aligns with UCT's strategic objective to establish a campus microgrid. The microgrid will enhance energy resilience, reduce dependency on the national grid, and support the university's long-term goals for sustainability and operational continuity during power disruptions.

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 2024 Research Report was approved by Council in July 2025. The 2023/2024 Social Responsiveness Report was approved by Council in December 2025, and the 2024 Teaching and Learning Report was approved by Council in April 2026.

Research Report to Senate and Council 2024

The University of Cape Town's 2024 Annual Research Report presents a research enterprise operating at historically high levels while facing growing structural and systemic pressures.

Research Performance and Financial Overview

UCT achieved its highest-ever research income in 2024, with total research income exceeding R2,6 billion. External funding accounted for the vast majority of this total, with approximately 70% sourced from international funders, particularly from the United States, the United Kingdom and Europe. Research contracts signed during the year reached record levels, surpassing R4 billion in value. The Faculty of Health Sciences remained the dominant generator of research income, contributing close to R1,5 billion and reinforcing UCT's leadership in health research on the African continent. Other faculties, including Science, Engineering & the Built Environment, Commerce and Humanities, also made substantial contributions, reflecting the breadth of the university's research strengths. While international funding growth signals strong global confidence in UCT's research capabilities, the concentration of income from foreign sources introduces significant exposure to geopolitical and policy uncertainty.

Research Excellence and Global Standing

In 2024, UCT consolidated its position as Africa's leading research university and strengthened its presence in global rankings. The university also expanded its representation in top 50 subject rankings and achieved its strongest performance to date in international impact and sustainability-related rankings linked to the Sustainable Development Goals. UCT's research continued to demonstrate strong global visibility and influence, supported by extensive international collaboration. A high proportion of publications ranked among the world's most cited outputs. However, the report highlights a persistent tension between global excellence and national performance metrics, as high levels of international co-authorship contributed to a decline in DHET-accredited research output units.

Research Output and Scholarly Community

Research output volumes across journals, books, chapters and conference proceedings remained robust. Despite this, DHET output units declined, reflecting co-authorship effects and increasing workload pressures on permanent academic staff. Postgraduate training remained a strength, with large numbers of master's and doctoral graduates contributing to national research capacity. UCT continued to host one of the country's largest cohorts of NRF-rated researchers, including a significant share of A-rated scholars. Researchers across disciplines received numerous national and international awards, reaffirming the depth and quality of UCT's research talent. Nonetheless, the total number of rated researchers showed a gradual decline, signalling generational transitions and funding constraints affecting early-career progression.

Strategic Research Initiatives and Innovation

A central theme of the 2024 report is UCT's consolidation of Artificial Intelligence (AI) as a strategic research area. AI research spans foundational theory and applied innovation across health, neuroscience, linguistics, environmental research and the humanities. The launch of the UCT AI Initiative marked a key institutional milestone, positioning UCT as a continental leader in AI research grounded in African contexts. Innovation and commercialisation continued to strengthen, with a record number of new spin-off companies, increased invention disclosures and expanded patent activity, signalling UCT's growing role in translating research into social and economic impact.

Research Support, Infrastructure and Risk

The report emphasises the critical role of research enablers. Progress was made in implementing the Research Office Strategic Plan (2023–2028) and the Research Support Transformation Project, aimed at modernising systems, improving financial transparency and strengthening researcher support. Investment in researcher development and transformation programmes for Black and women academics remained a central priority. At the same time, the report outlines significant risks to research sustainability. Heavy reliance on international funding, declining national support, constrained infrastructure, regulatory bottlenecks, cybersecurity threats and uncertainty facing soft-funded researchers present growing challenges.

Concluding comments

Overall, the 2024 Annual Research Report portrays a university performing at world-class research levels, with exceptional global standing, expanding influence and strong innovation momentum. Sustaining this success, however, will require urgent attention to funding diversification, strengthened research support systems, investment in people and infrastructure, and deliberate efforts to build resilience in an increasingly volatile research environment.

Teaching and Learning Report 2024

The 2024 academic year marked a pivotal moment in UCT's Teaching and Learning trajectory as it reached the midpoint of Vision 2030. Significant milestones included the approval of the revised Multilingual Language Policy which recognises isiXhosa, Afrikaans, and English as official languages. This is supported by extensive awareness programmes and a dedicated Language Indaba. The institution made major strides in digital transformation: nearly 80% of courses migrated to Amathuba; the Digital and Online Education Policy was ratified; and a comprehensive AI in Education Framework was developed to guide assessment, academic integrity, and AI literacy. The year also saw advances in student success initiatives, improvements in data systems, and expanded psychosocial support as UCT navigated fee related protests, operational disruptions, and national funding pressures.

Centre For Higher Education

The New Academic Practitioner Programme welcomed 36 staff from all faculties, while the pilot of SoTL4Change@UCT began building research informed teaching capacity. The university-wide Tutor Development Programme was significantly expanded to professionalise tutoring, address inconsistencies in training, and strengthen future academic pathways. Student success services, including the Writing Centres, Numeracy Centre, and Language Development Group, responded to increased demand, with over 10 500 students attending workshops. Careers Services continued to excel, winning its 13th SAGEA award and reporting improvements in graduate employability. Digital transformation was accelerated through enhancements to Amathuba (performance analytics, interactive content tools), preparations for the Learning Store launch, and institution-wide AI discussions. Policy developments included the Digital and Online Education Policy, assessment reforms, and a strengthened Quality Assurance Framework.

The Faculties

Faculties reported a complex but productive year shaped by operational disruptions, AI-related teaching challenges, and renewed commitments to student success.

- Commerce consolidated progression reforms, reducing exclusions and strengthening academic pathways through the BCom in Management Studies. Faculty-wide advising, mentoring, and early intervention structures contributed to improved course pass rates and record achievements in professional examinations.

- Engineering and the Built Environment advanced a multi-year curriculum review and strengthened student success through ASPECT, enhanced psychosocial support, and targeted interventions in gateway courses. African student representation rose substantially, reflecting transformation gains.

- Health Sciences confronted severe provincial budget cuts affecting clinical training but mitigated these through simulation and alternative placements. Academic distinctions increased across programmes, while student wellness services expanded significantly. The faculty also provided humanitarian support to displaced Gaza medical students.

- Humanities managed the largest first-year intake in five years, expanded its student success architecture through the Umthombo Centre, and advanced curriculum reforms to reduce workloads and align credits with notional hours. Sustained work on AI guidelines supported assessment integrity.

- Law made progress in refining progression rules, strengthening academic skills workshops, deepening its mentorship system, and exploring the implications of AI on legal education. Moot competitions continued to develop student competencies in critical thinking and argumentation.

- Science undertook major curriculum transformation, reducing BSc credit loads, launching AI and Data Science majors, and enhancing assessment integrity through increased invigilation. Student support expanded through mentorship programmes, developmental advising, and data-driven identification of at-risk students.

Institutional Support Services

A comprehensive ecosystem supported students beyond the classroom. Residence Life delivered development-oriented Living and Learning programmes, strengthening peer communities and academic belonging. Disability Services expanded SASL vocabulary banks, accommodation mechanisms, and inclusive pedagogies. Student Wellness Services delivered 11 654 counselling sessions which is an all-time high. They did this while extending 24-hour support through partnerships with SADAG and other organisations. Career Services advertised 538 opportunities, hosted employer expos, and supported entrepreneurial development. Student Development and Advocacy Services expanded food security support during peak stress periods. These collective efforts demonstrated UCT's commitment to holistic student development.

Quantitative Analysis

A companion report highlights enrolment patterns, demographic shifts, progression trends, course success rates, and staffing profiles. Many faculties reported increases in African undergraduate participation, stronger graduation rates, and reduced exclusions. Extended degree programmes played a major role in equity and retention. Across the institution, data-driven interventions contributed to better identification of at-risk students and more timely academic support.

Concluding comments

The year signalled both consolidation and innovation. However, challenges remained: throughput disparities by population group, operational pressures caused by fee debt protests, and the need for continued reform in assessment design in the era of AI. The focus for 2025 includes completing the Amathuba migration, advancing faculty curriculum reviews, preparing for accreditation cycles, expanding AI literacy, and enhancing multilingual teaching resources. UCT is successfully advancing a transformative, equitable, and future-ready teaching and learning environment. The university is embedding multilingualism, strengthening staff development, deepening student support, and modernising curricula while managing the pressures of funding, student wellbeing, and technological change. The report reflects an institution committed to excellence and continuous improvement in higher education.

UCT Transformation Report 2024

The 2024 Transformation Report represents an important evolution in the University of Cape Town's transformation journey, marking a shift away from a primarily metrics-driven approach and toward a more holistic, humanising, and intellectually grounded understanding of inclusion and redress. While the institution continues to track progress through established frameworks, the 2024 report frames transformation as a deeply ethical and relational endeavour; one focused on nurturing belonging, renewing institutional culture, and addressing structural inequities across academic, operational and governance domains. Anchored in Vision 2030, the report situates UCT at a crossroads: thirty years into democracy, the institution must confront both the gains and the limits of representational transformation and recommit to deeper systemic change.

Institutional Highlights

This year's report documents several significant achievements that together demonstrate UCT's growing commitment to systems-level change. Among the most notable developments is the implementation of the new Language Policy, which advances multilingualism and affirms indigenous languages, including Afrikaaps, Khoekhoegowab, N|uu and South African Sign Language which is seen as essential to teaching, research and communication. The report also highlights UCT's humanitarian acceptance of 27 final-year medical students from Gaza, reflecting the university's global solidarity commitments. Additionally, the institution scaled up restorative justice mediation initiatives, expanded gender-based violence prevention and first-responder capacity and made substantial progress in learner and staff support systems. These efforts signal a university increasingly responsive to harm, committed to justice, and intent on embedding inclusive practices at scale.

Inclusivity and Culture Change

Inclusivity and culture change emerged as central pillars of transformation in 2024. The report documents UCT's broad rollout of training and reflective practice interventions, including unconscious bias workshops that reached 740 staff members and fostered heightened awareness of microaggressions and institutionalised patterns of exclusion. Equally important is the growth of peer-led racial trauma support programmes, which provided psychologically safe spaces for staff to share experiences and work collectively towards healing. Anti-racism policy education played a crucial role in operationalising the university's commitments, equipping staff and students with practical tools to recognise and address racism, while culture-alignment initiatives across faculties helped strengthen team cohesion, promote shared values, and embed transformation into everyday work

environments. Together, these programmes demonstrate a deliberate move toward cultivating environments that prioritise belonging, critical reflection and emotional well-being.

Disability Inclusion

Disability inclusion stands out as one of the most advanced areas of transformation at UCT in 2024. The Disability Service completed a comprehensive declaration and verification drive, resulting in better data integrity and enhanced capacity to support staff and students requiring accommodations. The report highlights several landmark achievements, including UCT becoming the first South African institution to produce a fully SASL-accessible website for National Benchmark Test information, as well as launching the first SASL-accessible library tour in the country. These innovations were complemented by rapid deployment of assistive devices, accessible transport, and workspace modifications, while partnerships with CILT led to the creation of an automated Disability Sensitisation Training programme for staff. The report also notes rising demand for mental health and neurodiversity support, with 218 student consultations and 155 extra-time applications processed trends reflecting global increases in mental health needs. These developments underscore both UCT's leadership in disability inclusion and the need for expanded staffing and institutional resources to sustain this progress.

Staff Access, Support and Employment Equity

The report provides a detailed account of UCT's employment equity landscape, noting persistent disparities particularly at senior management and academic leadership levels, where African and coloured staff remain underrepresented relative to the regional Economically Active Population. While representation improves at entry and semi-skilled levels, mobility challenges remain a concern. Nonetheless, 2024 saw continued investment in leadership development, succession planning and policy reform. The ICTS succession planning pilot laid groundwork for institution-wide talent development, while HR advanced policy interventions in areas such as bullying, benefits expansion and inclusive governance. Over 4 600 staff training completions were recorded across strategic areas such as organisational culture, safety, leadership and emotional intelligence—reflecting a growing institutional emphasis on inclusive and accountable management practices. The EE Fund continued to provide bridging finance to diversify the professoriate and support long-term workforce transformation.

Student Success, Agency and Learning

The report dedicates substantial attention to student support, recognising that inclusion must be experienced in classrooms, laboratories, residences and psychosocial environments. Faculties expanded academic advising, writing support, peer mentoring and extended curriculum offerings, while STEM fields strengthened equity pathways through programmes such as STEM MentHER and Ocean Womxn. Psychosocial support systems grew considerably: the Faculty of Engineering and the Built Environment recorded strong uptake of on-site counselling resources, and emergency aid mechanisms were strengthened for students facing financial and personal hardship. The Office for Inclusivity and Change's (OIC) student leadership programmes reached thousands, including more than 4 000 first-year students who received training in consent, survivor support and

anti-GBV practices. Across the university, the report shows a shift towards more integrated, compassionate and proactive student support ecosystems.

Research and Knowledge Production

While UCT remains a leading research institution, the demographic profile of authorship reveals uneven progress in research transformation. White academics account for the majority of research outputs, with African and coloured academics underrepresented. The Faculty of Health Sciences continues to dominate publication volumes, followed by Science and Engineering. The narrative analysis emphasises the importance of improving diversity not only in research participation but also in epistemological approaches, calling for transformation that extends into curriculum design, knowledge systems and scholarly voice. The report suggests that operational research embedded within faculties—aligned with international models such as IARU—holds promise for strengthening linkages between academic inquiry and transformation practice.

Discrimination, Harassment and SGBV Response

The report provides sobering insight into the continued prevalence of sexual and racial harm. Between 2016 and 2024, 170 rape survivors accessed UCT support services. The OIC remained the primary responder, providing most emergency transports to the Thuthuzela Care Centre and delivering specialised trauma-informed counselling, with 94 therapeutic sessions recorded under the Alumni-in-Action programme. Residence Life advanced a comprehensive Gender Based Violence strategy, training Gender Marshals, strengthening safety infrastructure, and coordinating with student leaders to build resilient, caring residence communities. The report underscores the ongoing need for vigilant, well-resourced institutional responses, noting that gaps remain due to resource constraints, the national legislative context and the growing demand for psychosocial support.

Concluding remarks

The 2024 report concludes by critiquing overly technocratic approaches to transformation that rely on metrics without addressing structural inequity. It argues for a renewed transformation paradigm—one that is intellectually rooted, historically conscious, morally grounded and socially responsive. UCT is encouraged to reclaim transformation as a site of critical inquiry and institutional imagination, engaging deeply with questions of power, privilege, race, gender, language and space. Ultimately, the report positions UCT for a new chapter: one where transformation is not merely measured but lived; not only reported but felt; and not simply mandated but embraced as a collective ethical responsibility.

Professor Mosa Moshabela
Vice-Chancellor

13 June 2026

INSTITUTIONAL FORUM ANNUAL REPORT 2025

OVERVIEW OF THE INSTITUTIONAL FORUM 2025:

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 –

- The implementation of this Act and the national policy on higher education.
- Race and gender equity policies.
- The selection of candidates for senior management positions.
- Codes of conduct; mediation and dispute procedures; and
- The fostering of an institutional culture which promotes tolerance and respect for fundamental human rights and creates an appropriate environment for teaching, research, and learning; and
- 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 (Executive)
5. Salome Maswime (Senate Rep)
6. Jacques Rousseau (IF Co Chair – Executive)
7. Jeffrey Mokena (IF CO Chair-SRC)

Composition of the Institutional Forum

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

Membership of the IF

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

- Mr David Ansara
- Ms Kelley Phelps
- Mr Jacques Rousseau

EXECUTIVE – the VC appoints two executive officers and two Deans and decides terms of office

- Prof Moshabela (Vice-Chancellor)
- Prof Elelwani Ramugondo
- Prof Lionel Green-Thompson
- Prof Shose Kessi

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

- Prof Jameelah Omar
- Prof Rudzani Muloiwa
- Prof Zenda Woodman

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

- ACADEMICS UNION: Prof Shaheen Mowla; Prof Andrew Lilley; Rudzani Muloiwa
- NEHAWU: Mr Paul Gaika; Mr Xolani Poswa
- NUSAS: Ms Naziema Jappie; Mr Shai Makgoba (Alt)

- EMPLOYEES UNION: Mr Michael Harris; Ms Siphokazi Mngxunyeni
- DETAHWU: Mr Bulumko Nkume; Mr Athabile Nonxuba

MEMBERS (10) and ALTERNATES (incl. Post Grad) elected by the SRC – serving one year

- Thando Lukhele (President)
- Lelentle Thole (Vice President)
- Ayabulela Nkwakwa (Secretary General)
- Zikhona Mpetha (Deputy Secretary General)
- Hope Mahlakwane (Treasurer General)
- Orifha Muvhali (Residence Coordinator)
- Zenande Mdludlu (Undergraduate Students Coordinator)
- Clean Ndimande (Corporate Relations and Fundraising Coordinator)
- Olothando Mangesi
- Jeffrey Mokoena

Invited IF Sub Committee Members

- Ms Linda Gayiza (Transformation Forum)

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)

Quorum

In 2025, quorum of the IF was achieved in all four scheduled meetings and Special IF meetings.

Governance

Governance considerations by IF members this year focused on Governance matters affecting Transformation such as the findings of the Mpati report, and the IF's relationship to Council and the broader university.

IF provided oversight to four Executive appointments, including that of the Vice Chancellor Professor Moshabela. Two working groups were established. The first considered the question of the 'conflict of interest' and the second working group considered the role of academic freedom in relation to access and use of university property by external parties in situations where the views of external parties might contradict university values and policies.

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 while 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 2023 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 university has deployed 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 in certain occupational levels – there are several elements that need be unpacked, such as representation at various occupational levels and the university internationalisation strategy which centres global research for Africa and beyond.

While overall UCT is making progress by including more African and Coloured women and men as staff members, many African 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. When comparing with the Western Cape economically active population, 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.

With the impending National regulations for EE, the university engaged via USAF to contribute towards sectoral challenges and progress indicators that were subsequently submitted to DOEL for consideration.

Conclusion

The IF at UCT in 2024 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 IF itself, as well as with other relevant governance structures at UCT.

Mr Jacques Rousseau
IF Co-Chair

13 June 2026

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.

The key responsibilities of the UARC are listed in Council's report on corporate governance (page 14) of this report. The Committee met four times during 2025, comprising four normal meetings. Attendance at UARC meetings during 2025 is presented in the table below:

Table 19: 2025 University Audit and Risk Committee Attendance

Member	Designation	Apr	Jun	Sep	Nov	%
Mr O Mothudi	Chair & Council Member	P	P	P	P	100%
Professor G Gray	Council Member	P	P	P	P	100%
Ms C Hess Robertson	Council Appointed Member	P	P	P	P	100%
Mr T Murray	Deputy Chair (Independent)	P	P	P	P	100%
Mr M Parker	Council Member	P	Ap	P	Ap	50%
Dr M Molapo	Council Member	P	Ap	P	Ap	50%

P = Present
Ap = Apology

Financial Reporting Oversight and Control Environment

The Council, through the UARC, provides oversight of the preparation, integrity and fair presentation of the Annual Financial Statements, as well as the overall financial reporting process of the University. In discharging its responsibilities, the Council ensures that appropriate systems of risk management, internal control and governance are in place and operating effectively to support the University's strategic and operational objectives.

The University maintains a system of internal controls designed to mitigate identified risks, safeguard assets and support the integrity of its core academic and operational activities. The organisational structure provides for a clear division of responsibilities, supported by established policies and procedures that are communicated across the institution. These frameworks are subject to ongoing review and refinement to ensure continued relevance and effectiveness in a dynamic operating environment.

During 2025, the UARC maintained a focused oversight of the control environment, with particular emphasis on strengthening the timely implementation of audit recommendations, enhancing management accountability, and improving the monitoring of internal control deficiencies. While the overall control framework remains appropriate, the Committee noted the importance of continued focus on the consistent and timely closure of audit findings and the strengthening of control processes in key risk areas.

The University continues to leverage modern information technology systems to support efficient and effective operations. These systems are developed and implemented in accordance with defined standards to ensure reliability, integrity and security of information. During 2025, enhancements were made to selected subsystems to strengthen cybersecurity measures and support increasing digital demands. The University also maintains compliance with applicable data protection and privacy standards, including robust disaster recovery and data backup processes, aligned with the requirements of the Promotion of Access to Information Act (PAIA).

As with any system of internal control, there are inherent limitations, including the potential for human error, reliance on manual processes and the possibility of control override. The University seeks to mitigate these risks through a strong ethical culture, clear governance frameworks and a “speak-up” environment that encourages transparency and accountability. These measures, together with well-established policies and procedures, provide reasonable assurance regarding the reliability of financial reporting and the safeguarding of assets.

The University’s external auditors, PricewaterhouseCoopers Incorporated (PwC), perform an independent audit of the Annual Financial Statements, including an assessment of key financial reporting controls. For the 2025 financial year, PwC applied a combination of substantive audit procedures and controls testing and concluded that the relevant controls could be relied upon for audit purposes.

The Internal Audit function, which reports functionally to the UARC and administratively to the Vice-Chancellor, provides ongoing independent assurance on the adequacy and effectiveness of internal controls. Internal Audit reports regularly to the Committee on control deficiencies, as well as progress made by management in addressing identified findings. During 2025, continued focussed was placed on driving managements implementation of overdue open internal audit findings, ensuring that agreed control improvements are effectively actioned and implemented to support a robust and sustainable control environment.

Areas of focus of the University Audit and Risk Committee

The UARC, as mandated by Council, is responsible for overseeing the adequacy of controls implemented by management over the University’s assets, risk management, and financial systems. The Committee also ensures that appropriate systems are in place to support timely and accurate financial reporting in full compliance with applicable legislative and regulatory requirements. In fulfilling these responsibilities, the UARC plays a critical role in providing assurance on the effectiveness of the University’s risk management framework and internal control environment. The Committee’s roles and responsibilities are formally defined in its Terms of Reference.

During the 2025 financial year, the UARC continued to fulfil its oversight responsibilities in support of Council, with a focus on governance, risk management and assurance. Through its scheduled meetings, the Committee maintained a structured approach to monitoring key institutional risks and control processes, while engaging constructively with management to support the University’s financial sustainability and long-term resilience.

Below are some of the 2025 key areas of focus of the UARC:

Fraud Risk and Ethical Governance

The Committee continued to exercise oversight of fraud risk management and ethical governance. This included reviewing reports on fraud risks, control weaknesses and mitigation measures, as well as reinforcing the importance of a strong ethical culture across the University. The Committee emphasised the need for ongoing vigilance, effective internal controls and timely management action to address emerging risks, thereby supporting the integrity of the University's operations.

Research Funding and External Environment

The Committee monitored developments in the external funding environment, including shifts in international research funding landscapes. Consideration was given to the potential implications for research programmes, staffing and institutional sustainability. The Committee noted the mitigation strategies implemented by management and emphasised the importance of continued diversification of funding sources and prudent financial planning to ensure the sustainability of research activities in a changing global context

Internal Audit Findings and Control Environment

Strengthening the internal control environment remained a key focus area for the Committee. Regular engagement with Internal Audit enabled the Committee to monitor the effectiveness of controls and the progress made by management in addressing audit findings. The Committee emphasised the importance of timely implementation of corrective actions and continuous improvement in control processes. In the final quarter of the year, the Committee reviewed and approved the Internal Audit Plan for 2026, ensuring alignment with the University's key risk areas, and highlighted the importance of maintaining adequate resources to support an effective assurance function.

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 Vice Chancellor (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 to the 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 2025 financial year related to the following:

Student Fee Debt

The increasing level of student fee debt remains a significant concern for the University. The Committee maintained ongoing oversight of the University's financial sustainability, recognising the evolving funding environment within the higher education sector. Attention was given to student funding dynamics, including the impact of NSFAS processes, student debt levels, and associated cash flow implications. The Committee noted that funding delays and policy uncertainties continue to present operational challenges and require careful management.

Management remains actively engaged in efforts to address and reduce this debt burden. Ongoing attention is also being given to the adequacy and accuracy of the student fee debt provision to ensure appropriate financial reporting and risk mitigation.

Going concern

The Committee considered management's assessment of the University's status as a going concern in conjunction with its review of the Annual Financial Statements for the year ended 31 December 2025. This assessment was informed by the University's financial position, liquidity levels, operating performance, approved medium-term forecasts, and identified risks and mitigating actions. The Committee noted the strengthening in the University's financial position during the year, supported by solid asset growth, improved operating outcomes, and sustained liquidity, with cash reserves exceeding the University's target liquidity thresholds.

In addition, the Committee considered the University's financial sustainability initiatives, including cost management measures, enhanced financial planning, and ongoing monitoring of key risks such as student funding pressures and the external funding environment. The Committee noted that medium-term projections indicate that the University remains financially stable, with no requirement for distress financing and sufficient capacity to meet its obligations as they fall due.

Based on the information presented and its engagement with management and the external auditors, the Committee is satisfied that the going concern basis of preparation remains appropriate and supports management's conclusion that the University will continue to operate as a going concern for the foreseeable future.

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 a trusted strategic business partner, strengthening governance and controls by promoting operational efficiency, through delivery of independent, risk-based, objective and value-added assurance with insight and foresight to empower organizational success.

Mission
Internal Audit will provide independent risk and objective assurance and consulting services while promoting operational efficiency and strengthening governance and controls. Our mission is to support the University in achieving sustained success. We are dedicated to continuously improve and enhance our practices and strive to be the top Internal Audit Office in the Higher Education Sector

Internal Audit is an independent, objective assurance and advisory service, designed to add value and improve on the university. It helps the university accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of governance, risk management and control processes. Internal Audit was established by the University Council as a service to the University's senior management and University Audit and Risk Committee (UARC).

Internal Audit performs Assurance Services and delivers four engagement products, namely Assurance Review Audits (including follow-up Audits), Consulting services, Factual Findings Reviews and Agreed Upon Procedure Audits.

Internal Audit has an unrestricted scope to review any area of the University's operations. The focus of Internal Audit is to assess whether the University's risk management, control and governance processes, as designed and represented by management, are adequate, effective and functioning as intended to ensure:

- **Effective Risk Management:** Risks are appropriately and systematically identified, assessed and managed in line with best practice.
- **Accuracy and Reliability of Information:** Significant financial, managerial and operating information is accurate, reliable and delivered in a timely manner to support informed decision-making.
- **Compliance with Policies and Regulations**: Employees' actions are aligned with policies, standards, procedures and applicable laws and regulations safeguarding the University's integrity.
- **Optimal Resource Utilisation**: Resources are acquired economically, used efficiently, and adequately protected to maximise value.
- **Achievement of Strategic Objectives:** University program, plans and objectives are achieved, aligning with the overall mission and vision.
- **Commitment to Quality and Improvement:** A culture of quality and continuous improvement are promoted in the University's control processes, driving ongoing organisational excellence.

The audits span across all UCT's departments, and faculties, where Internal Audit evaluates 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 of all audits are reported to the appropriate stakeholders including University Executive Leadership, Senior Management, Management and the UARC. The results of Factual Finding and Agreed Upon Procedures are also shared with external stakeholders.

Commitment to Adhering to the Global Internal Audit Standards

Internal Audit will adhere to the mandatory elements of The Institute of Internal Auditors' International Professional Practices Framework, which are the Global Internal Audit Standards and Topical Requirements. The Director: Internal Audit will report annually to the UARC and senior management regarding Internal Audit's conformance with the Standards.

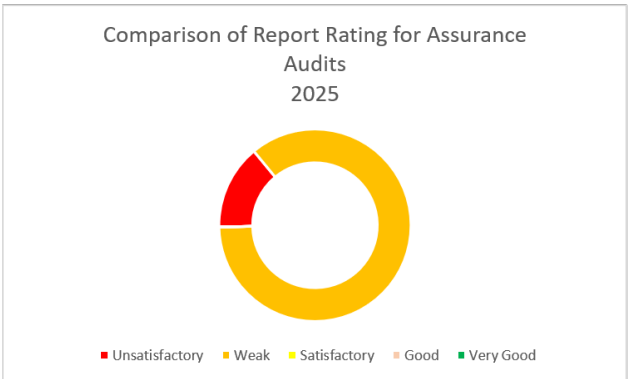
This mandatory guidance constitutes principles of the fundamental requirements for the professional practice of internal auditing and for evaluating effectiveness of the internal audit's performance. In addition, Internal Audit adheres to Internal Audit Methodology and relevant University Policies and procedures.

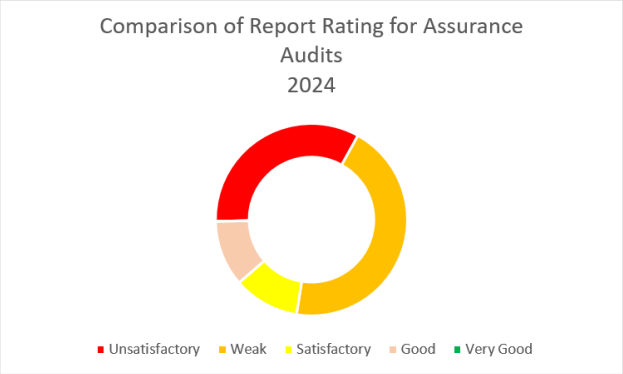
In maintaining the independence of Internal Audit, the Director of Internal Audit reports functionally to the UARC, administratively to the Vice Chancellor and has direct access to the Chair of the UARC. Internal Audit remains functionally independent of the activities and the day- to-day internal control 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 meets with stakeholders to understand their key risks and adapts 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 to the UARC for consideration. The results of the audits serve as a basis for collaboration with management to develop recommendations and suggestions aimed at improving systems, processes, and overall governance.

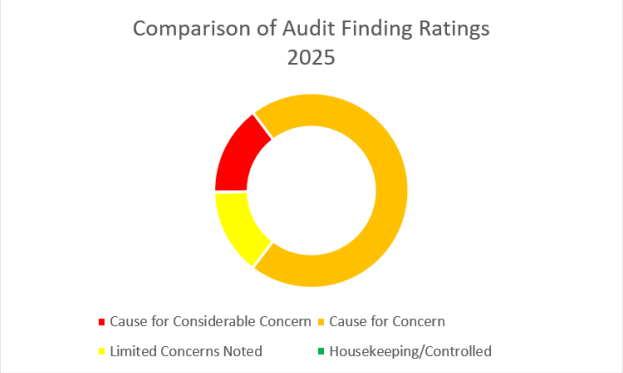
Comparison of Report Rating for Assurance Audits

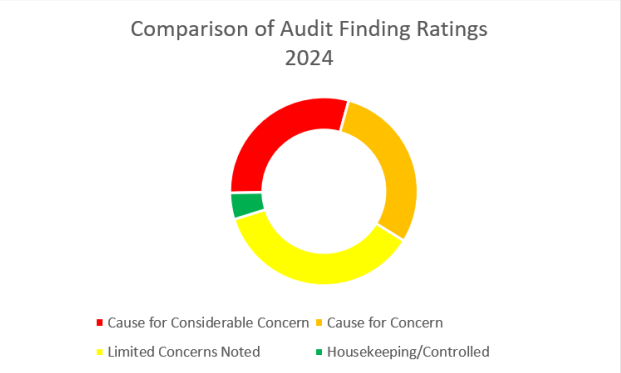




Of the 7 (2024:9) Assurance Audits performed, 1 (2024:3) was rated Unsatisfactory and 6 (2024:4) were rated Weak.

Comparison of Audit Finding Ratings





The total number of Audit Findings was 153 (2024: 44), with 23 (2024:13) rated Cause for Considerable Concern and 108 (2024: 13) Cause for Concern.

As part of its commitment to strengthening the control environment, Internal Audit is working closely with management and actively monitoring the progress of overdue open management actions. Leadership and management have reaffirmed its commitment to addressing these actions in a timely and effective manner, reinforcing a shared view on continuous improvement and accountability.

Rotation and appointment of external auditors

The University's policy provides for the appointment of external auditors for a period of five years, subject to an annual recommendation by the University Audit and Risk Committee (UARC) to Council, as well as concurrence from the Auditor-General of South Africa (AGSA). This approach is aligned with the requirements of the Public Audit Act, which governs the appointment of auditors for public institutions. The University retains the right to terminate the appointment within this period where appropriate.

In line with these requirements, PwC was appointed as the University's external auditors in 2021. Following a satisfactory performance assessment by the UARC, their re-appointment for the 2025 audit was recommended and approved by Council, marking their final year in accordance with mandatory audit firm rotation requirements.

During 2025, the University undertook a formal process to appoint external auditors for the 2026 financial year in accordance with its procurement policies and applicable regulatory requirements. Following the completion of this process, Ernst & Young (EY) was identified for appointment, and all required internal approvals and concurrence from the AGSA have been duly obtained.

In addition, Nexia SAB&T were appointed to perform agreed-upon procedures on designated funding. This engagement falls outside the scope of the statutory external audit and is therefore not subject to AGSA appointment requirements.

Independent External and Internal Audits

The UARC reviewed the external audit approach, including the key risk areas identified for the audit process. During the year under review, the Committee also engaged with Internal Audit regarding the internal audit plan and monitored progress against this plan, as well as the outcomes of audit activities.

The UARC is satisfied that both the external and internal auditors have fulfilled their respective mandates and have communicated their findings appropriately during the 2025 financial year.

Risk Management Executive Committee

The university's risk management process is continually evolving to enable more timely and effective responses to actual and emerging threats that may impede the achievement of its strategic objectives. Effective risk management cannot function in isolation; it must be embedded within the university's governance, decision-making structures, and core processes.

In 2025, Council approved the Enterprise Risk Management Framework (ERMF) and the Combined Assurance Framework (CAF). These frameworks represent a significant step toward strengthening the university's risk culture and support the Risk Policy, alongside other relevant policies aimed at enhancing the institution's responsiveness and resilience within a dynamic risk landscape. As a fundamental component of sound governance, the integration of risk management into strategic planning and operational processes ensures that it becomes an inherent part of the university's day-to-day activities.

The ERMF advocates for the integration of risk management into a business process that encourages all university stakeholders to be risk-aware and assist in its management. The university must therefore use its capabilities and resources efficiently and effectively to manage both opportunities and threats. Threats encompass any events or circumstances that could disrupt operations and missed opportunities that could otherwise enhance the university's ability to achieve its objectives.

The CAF seeks to formalise the university's risk management by integrating assurance functions across the institution. This ensures that assurance activities are coordinated and aligned with the university's risk strategy.

In doing so, it promotes a comprehensive and proactive approach to risk management reduces duplication of effort breaks down organisational silos and strengthens decision-making processes.

The university Council bears the primary responsibility for the risk management oversight. This oversight is exercised through the UARC, which is responsible for providing regular risk reports to Council in support of its governance responsibilities. The Council also expects the Vice-Chancellor to oversee the day-to-day risk management process at the university. In exercising this responsibility, the Vice Chancellor is supported by the Executive and management.

A Risk Management Executive Committee (RMEC) comprising of senior management ensures that a sound risk management and internal control system is maintained at the university. The overall purpose of RMEC is to ensure the safety and welfare of students, staff and third parties. It also plays a key role in ensuring that the university has a documented and structured process for dealing with strategic and operational risks.

Risk Management areas of focus

The RMEC convenes four regular meetings each year, in addition to a special meeting dedicated to preparations for the upcoming academic year, and at least two workshops focused on the university's strategic risk register. Special meetings are held to identify and prepare for threats and risks that may impact on the operations and management of the university.

The University maintains a comprehensive strategic risk register that outlines key risks which could affect the attainment of its objectives. The strategic risk is reviewed, updated, and approved by the Council twice a year. In addition, faculties and departments maintain operational risks registers which are to be reviewed annually. Recognising the significance of certain operational divisions and key projects, these areas have also developed dedicated risk registers as part of the university's overall risk management framework. Deans are accountable for faculty-level risk registers, while Executive Directors (or senior managers) are responsible for departmental risk registers. Below are some of the key areas of focus by RMEC:

Threat to financial sustainability of the university

The risk to the university's financial sustainability remains a prominent feature on the strategic risk register. Ongoing engagements at the RMEC, the UARC, UFC and Council have focused on ensuring the institution's long-term financial resilience. In response, UCT has implemented a Council-approved Financial Sustainability Plan, which focuses on key priority areas:

Cost efficiency: Systematically identifying and realising efficiencies across the operational cost base. This includes procurement reform, improved energy management, the digitalisation of administrative processes, and the rationalisation of duplicated functions.

Capital and strategic investment: Prioritising limited capital allocation toward critical needs, including occupational health and safety compliance, academic infrastructure, and strategic initiatives with demonstrable returns—while safeguarding the university's long-term capacity.

Staffing sustainability: Developing a workforce planning framework that aligns staffing levels and cost trajectories with revenue capacity. This includes reducing reliance on churn-based cost containment and

maintaining competitiveness in the academic and professional labour market without allowing costs to outpace income.

Revenue diversification: Expanding third-stream income through initiatives such as executive education at the Graduate School of Business, commercial enterprises, the Semester Study Abroad programme, and increased research commercialisation via the Research Contracts and Innovation Office.

These interventions have begun to yield positive results and in the 2025 financial year, the university recorded a modest surplus on its General Operating Budget (GOB). This marks a significant turnaround following three consecutive years of deficits.

Drop in research funding

On 7 February 2025, the White House issued an Executive Order signalling the termination of aid and assistance to South Africa. As an immediate consequence, grants from the US Agency for International Development (USAID) were discontinued. This abrupt action highlighted the vulnerability of UCT's US federally funded research. UCT's portfolio of US federal grants supports a variety of research projects, providing salaries and project running costs for hundreds of staff as well as stipends for over a hundred postgraduate students and postdoctoral fellows. A large-scale termination of US federal funding would thus have significant consequences, directly impacting staff, fellows, students and the university's finances.

The RMEC, UARC and Council had multiple engagements on the on the defunding, especially of the National Institutes of Health (NIH) grants of which UCT is the largest recipient outside of the USA. The threat arises from a foreign policy position adopted by the new US administration, which is radically different to its predecessors. The effects of these policy changes have been felt globally, nationally, and even domestically in relation to our NGOs and universities. These policy changes have been implemented by presidential executive orders at short notice.

In dealing with the funding cuts, the university implemented several mitigation measures including getting provisional relief funding from other funders. Ongoing oversight and coordinated action were deemed essential to manage financial risk and preserve institutional knowledge. As part of its risk mitigation the university conducted a full-scale assessment of the immediate, short- and long-term impacts of these funding suspensions. This has included analysis of projects already terminated due to the funding freeze; projects currently paused due to restricted access to funds; and projects still drawing funds but at imminent risk of termination.

A task team with Principal Investigators (PI's), finance staff, Human Resources (HR) advisors and Faculty of Health Sciences leadership was set up to identify affected research groups, staff, students, and trial participants, and to develop tailored mitigation plans. In partnership with Universities South Africa (USAf) and together with other affected South African universities, UCT submitted a formal and comprehensive proposal to the National Treasury. Furthermore, UCT is working proactively to reduce reliance on US federal funding by identifying and securing alternative sources of support.

Funding Challenges, Student Debt and Related Student Protests

The University continues to face significant challenges relating to its long-term financial sustainability, particularly in the context of a growing funding shortfall and increasing levels of student debt. A key contributing factor is the role of the National Student Financial Aid Scheme (NSFAS), which remains the largest funder of undergraduate students in the public higher education sector. While NSFAS plays a critical role in supporting financially needy and academically deserving students, recent policy changes, most notably the introduction of an accommodation funding cap, have resulted in shortfalls for NSFAS-funded students residing in university accommodation. As these students have already been assessed as financially vulnerable, the University is required to absorb or mitigate these funding gaps.

Despite ongoing fundraising efforts, the University has not been able to fully close this gap, contributing to a steady increase in student debt. This trend is unsustainable and continues to place pressure on the University's financial position. In response, there are ongoing engagements with NSFAS, the Department of Higher Education and Training (DHET), and Universities South Africa (USAf) to identify sustainable solutions.

In addition to NSFAS-related challenges, the University has experienced an increase in the number of self-funded students who are unable to meet their financial obligations. Addressing the needs of this group remains an important focus area.

These financial pressures contributed to student protest action at the start of the 2025 academic year, primarily linked to concerns around student debt and accommodation. University management engaged constructively with student leadership, resulting in agreed interventions, including targeted fee concessions for qualifying students. Council subsequently approved measures aimed at providing relief to academically eligible and financially vulnerable students with outstanding fee balances, while maintaining the University's financial sustainability.

Engagements with students and other stakeholders remain ongoing, with a focus on developing sustainable, long-term solutions to address student funding challenges and manage rising debt levels.

Fraud and whistleblowing activities

The university promotes a culture of zero tolerance towards fraud and corruption and responds decisively to all allegations and confirmed instances. During the reporting period, several fraud cases were identified, prompting engagements with management to reinforce vigilance and strengthen internal controls to safeguard the university's assets and resources.

Whistleblowing cases are reported annually in a manner that protects the identity of individuals and avoids undue speculation. UCT's whistleblowing hotline provides staff, students, and third parties with a confidential channel to report concerns that may not be detected through standard internal control processes.

The University remains firmly committed to fostering and embedding an ethical and compliance-driven culture, that underpins good governance and accountability. The whistleblowing hotline serves as an independent conduit for reporting suspected fraudulent, corrupt, or unethical conduct. To preserve its integrity and

independence, university management does not have direct access to the hotline; instead, it relies on reports submitted by the external service provider once complaints have been lodged.

To ensure effective oversight, the university has implemented appropriate checks and balances governing the hotline. In 2023, Council approved a comprehensive whistleblowing policy, which strengthens governance in this area and clearly defines the roles and responsibilities of all stakeholders involved in the whistleblowing process.

Insurance as a risk mitigation

Insurance is one of the key risk mitigation tools used to manage financial exposure and asset loss. All public higher education institutions are members of the Tertiary Risk and Insurance Association of South Africa (TERISA), which currently comprises 26 universities and one college. TERISA operates as a self-insurance fund, retaining a significant portion of premiums within the pool rather than placing them in the conventional insurance market. Its benefits include access to comprehensive cover on competitive terms, tailored insurance solutions for universities, and strong collective bargaining power. Surpluses generated within the fund are used to stabilise and subsidise premiums across member institutions, while annual risk management programmes are implemented at each university.

The university successfully renewed all insurance policies for 2025, ensuring uninterrupted cover. In relation to asset-related claims, theft remains a key risk concern. Mitigation measures, including the installation of CCTV systems and increased security patrols in high-risk buildings, are ongoing.

In 2021, the university experienced a significant loss when several buildings, and library material were lost or damaged by fire. The claim was successfully settled, resulting in a payout to the university. As part of the subrogation process, the university's insurers have subsequently lodged a recovery claim against SANParks and the City of Cape Town. The matter is at the High Court.

Incidents of crime on and off campus

The high levels of crime in the broader national context remain a significant concern, and the University is not immune to these challenges. Within the campus environment, certain areas, particularly high-traffic common spaces, have been identified as requiring heightened vigilance.

The University continues to maintain a comprehensive approach to safety and security, including both visible and discreet security measures. These efforts are supported by enhanced monitoring capabilities, with identified hotspot areas under continuous surveillance through CCTV systems managed by the Risk Services Operations Centre. This enables real-time coordination and response by security personnel on the ground. Campus Protection Services (CPS) has also increased its presence in higher-risk areas to strengthen deterrence and rapid intervention.

Additional measures have been implemented to address risks associated with increased vehicular activity, including reinforced patrols in parking areas. The University also benefits from ongoing collaboration with the

South African Police Service (SAPS) and local community safety structures to support broader patrol and safety initiatives in surrounding precincts.

While these measures contribute significantly to improving campus safety, the University continues to emphasise the importance of personal vigilance. Awareness initiatives have been strengthened to encourage the safeguarding of personal belongings, particularly high-value items such as laptops.

The continued integration of technology, including CCTV and licence plate recognition systems, remains a key component of the University's proactive risk management and security strategy.

Occupational health and safety

The university is committed to ensuring that all work activities are conducted safely through the identification, assessment, and effective management of risks to health, safety, and welfare. UCT adheres to safety, health, and environmental management standards aligned with internationally recognised Occupational Health and Safety frameworks. Central to the university ensuring health and safety adherence is the Central Occupational Health and Safety Advisory Committee (COHSAC) which provides regular reporting to RMEC.

Tax risks

The oversight of tax risks is vested in the RMEC, UARC and University Finance Committee (UFC). Given the commonality of these issues the higher education sector, a key intervention has been the University's participation in a tax task team established under USAf. This team is recognised by the South African Revenue Service (SARS) as the official liaison body for tax matters affecting the higher education sector. Financial and investment risks are covered in other sections of the report. Through its involvement in this task team, the University has been effective in managing tax-related risks, and there were no adverse findings in 2025 report

Other Risks

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

Mr Oratile Mothudi (CA)SA
Chair: University Audit and Risk Committee

Professor Mosa Moshabela
Vice-Chancellor and Chair: Risk Management Executive Committee

Ms Bahijah Hashim (CA)SA
Director: Internal Audit

13 June 2026

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, one independent member appointed by Council, 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. In addition, the UFC regularly monitors the university's cash position and cash forecasts as well as student debt, within the broader framework of monitoring and securing financial sustainability. 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 2025, the committee convened on four occasions.
Table 20: 2025 Attendance at University Finance Committee Meetings:

	14th Mar 2025	4th Jun 2025	25th Aug 2025	14th Nov 2025	% Attendance
Mr R Isaacs	P	Ap	Ap	P	50%
Prof M Moshabela	P	P	P	P	100%
Mr V Motholo	P	P	P	P	100%
Mr M Parker	Ap	N/A	N/A	N/A	0%
Mr R van Huyssteen	N/A	P	Ap	Ap	33%
Ms C Hess Robertson	P	P	P	P	100%
E/Prof B Kantor	Ap	P	P	Ap	50%
Mr G Lundy	P	P	P	P	100%
Prof T Moultrie	P	P	P	P	100%
Prof A Buffler	P	Ap	P	P	75%
Prof R Daniels	Ap	Ap	N/A	N/A	0%
A/Prof D Taylor	P	P	P	P	100%
Dr L Njozela	N/A	N/A	N/A	Ap	0%
Ms H Mahlakawane	Ab	Ap	Ab	N/A	0%
Mr T Mathebula	Ab	P	P	N/A	67%
Mr K Mojapelo	N/A	N/A	N/A	P	100%
Mr P Mabuza	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 objective:

"The objectives of this financial policy are to provide the basis for the University's financial stability, sustainability and the achievement of strategic goals including the ability to invest in research and education-related initiatives consistent with the University's mission."

We aspire to return to a targeted budget surplus in the short-to-medium term once we have implemented our financial sustainability initiatives, which will then enable us to build, and maintain our cash reserves at the required levels that will generate investment income and enable us to fund new initiatives, adequately invest in our infrastructure and buffer against unforeseen circumstances.

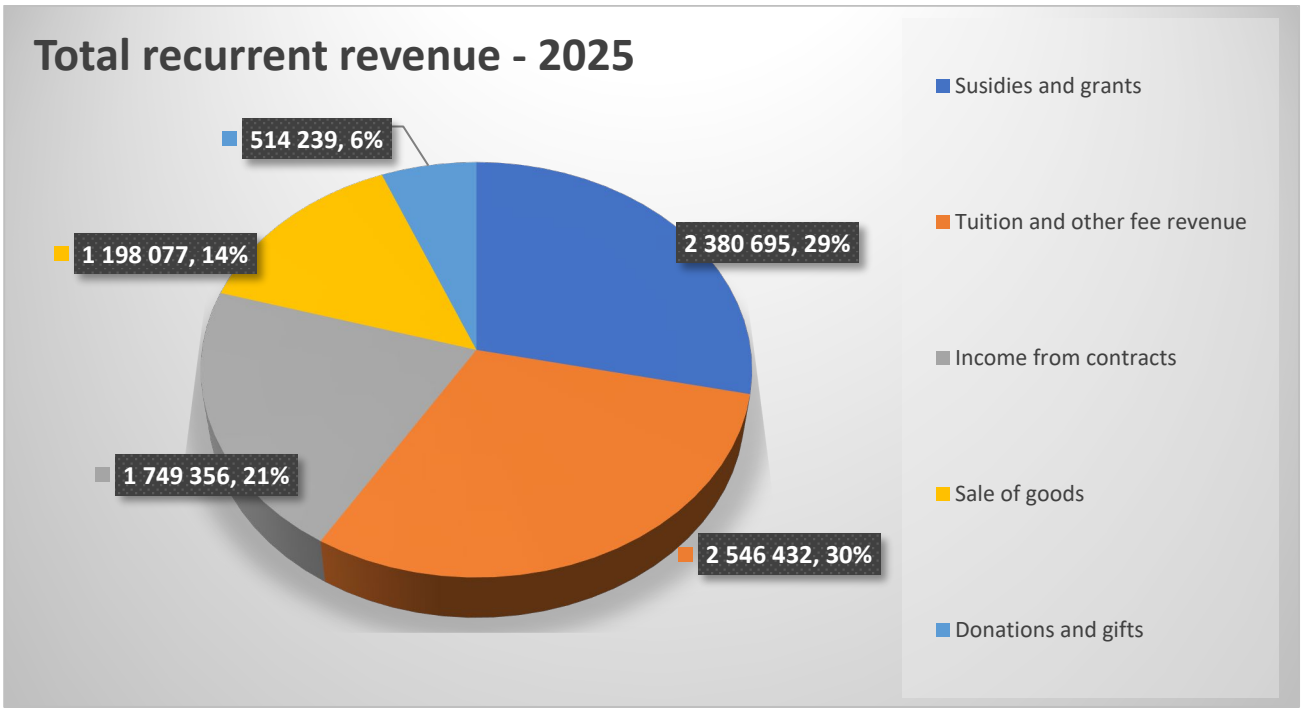
By adhering to this financial policy and implementing these integrated approaches, UCT strives to achieve financial sustainability, support its operational needs, and invest in initiatives that align with its mission.

Financial Sustainability

We commenced implementation of the Financial Sustainability Plan in 2023, signalling a deliberate and structured approach to strengthening its long-term financial position. The implementation is centred on stabilising costs relative to revenue, while actively exploring opportunities to diversify and grow income across multiple revenue streams. Several targeted initiatives are already in the implementation phase, with identified cost-saving measures contributing to greater operational efficiency. Oversight of this process is provided by the Financial Sustainability Steering Committee, which ensures disciplined execution and accountability, with regular reporting to UFC. This coordinated and well-governed approach positions the University to progressively realise the benefits of these interventions, with material financial impact expected to become evident from the 2027 financial year onward, reinforcing confidence in UCT's trajectory toward a more resilient and sustainable financial future.

2025 Consolidated Financial Highlights

Financial Performance

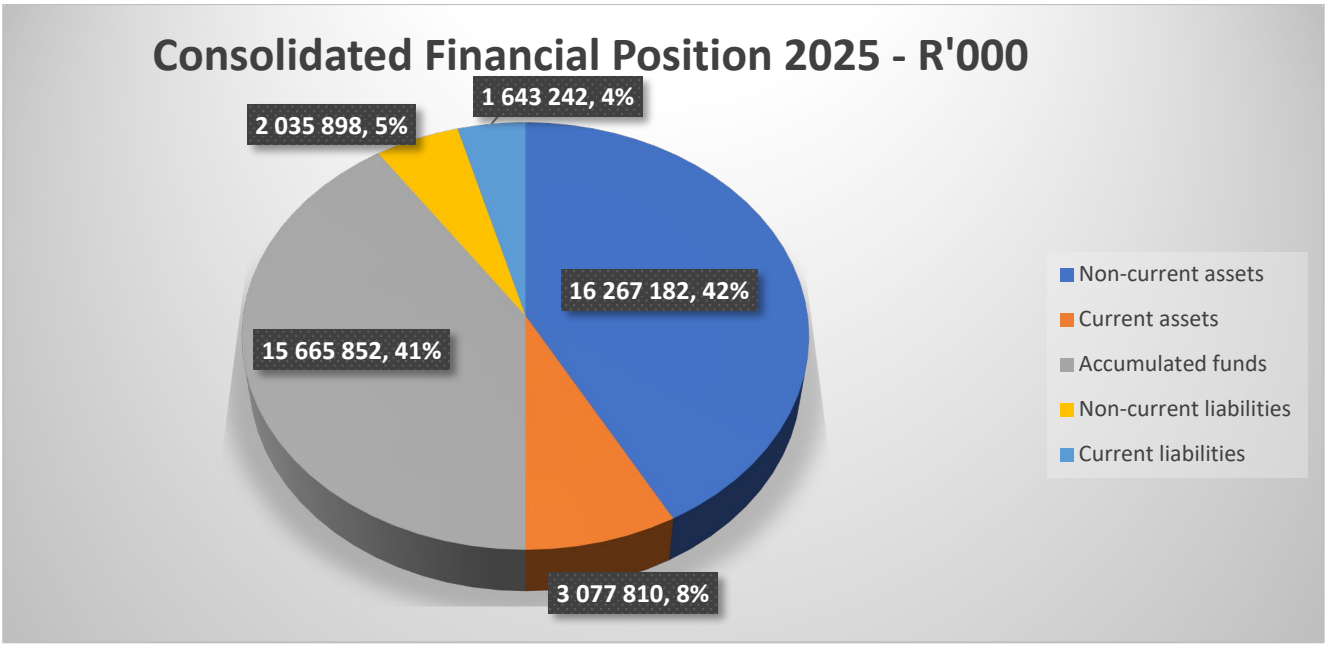


The University's financial performance in 2025 reflects a steady and well-managed trajectory, underpinned by resilient core revenue streams and disciplined cost oversight. Total revenue grew by 5.4% to R9.15 billion (2024: R8.68 billion), with strong contributions from subsidies and grants, as well as tuition and other fee income, which increased by 9.9% and 10.4% respectively. Subsidies and grants reached R2.38 billion (2024: R2.17 billion), while tuition and other fee income rose to R2.55 billion (2024: R2.31 billion), demonstrating continued demand for the University's academic offering and sustained public funding support. Net fee income of R2.55 billion, excluding bursaries and financial aid adjustments, similarly reflects robust growth. While income from contracts declined modestly by 3.9% to R1.75 billion, this remains a substantial and stable contributor to the overall revenue base.

Expenditure increased by 4.6% to R8.92 billion (2024: R8.53 billion), broadly aligned with operational requirements and reflecting careful cost management in an environment of rising salary pressures and constrained enrolment growth. After investment income, the University recorded an operating surplus of R1.35 billion, affirming the strength of its broader financial framework, even as this reflects a cyclical adjustment from the prior year's lower surplus.

Overall, the 2025 financial performance demonstrates disciplined financial management in a constrained environment, with steady revenue growth, controlled expenditure increases, and signs of improving operational balance, all of which provide confidence in the University's ongoing financial sustainability trajectory.

Statement of Financial Position



The University's financial position in 2025 reflects continued strength and stability, underpinned by prudent asset management and a disciplined approach to long-term sustainability. Total assets increased by 9.2%, highlighting steady growth across the asset base. While Property, Plant and Equipment recorded a modest decrease of 1.2%, this was largely anticipated and driven by normal depreciation and asset write-offs, alongside a measured approach to new capital investment. At the same time, investments performed strongly, growing by 10.0%, exceeding the prior year's increase and reflecting resilience and improved market conditions despite a challenging economic environment.

It is important to recognise that a significant portion of the University's asset base is not discretionary in nature. Designated Property, Plant and Equipment within the portfolio amounts to R4.5 billion, representing 26% of total assets, consistent with the prior year. These assets are held for specific institutional purposes, with any potential disposal subject to regulatory approval, ensuring their continued alignment with the University's long-term mandate. Similarly, the investment portfolio is largely earmarked for specific purposes, with approximately 60% held through the UCT Foundation in accordance with donor intent, and a substantial proportion of the remainder committed to restricted activities. This structured allocation reinforces responsible stewardship and purpose-driven resource utilisation.

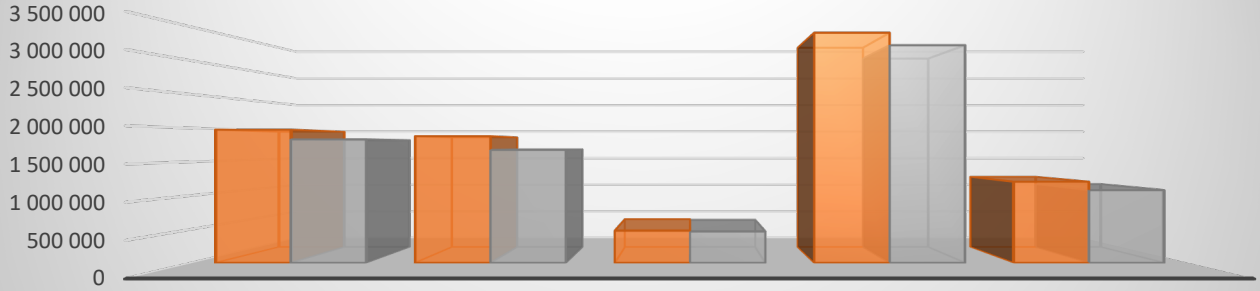
Student debt remains an area of focus, reflecting broader systemic challenges within the higher education sector. Gross student fee receivables increased to R1.01 billion, accompanied by a higher provision for credit losses. Encouragingly, the University continues to actively manage this risk through a comprehensive and proactive strategy that includes strengthened debt recovery processes and external partnerships. Ongoing engagement with key stakeholders, alongside student-focused support initiatives, further demonstrates a balanced approach that supports both financial sustainability and student success.

The University's funding structure remains robust, with a healthy gearing position. Total liabilities of R3.68 billion relative to total assets of R19.34 billion translate to a low debt ratio of 0.19, underscoring a conservative and well-managed balance sheet. Borrowings remain modest, with minimal new long-term debt incurred during the year and consistent progress in servicing the existing Development Bank of Southern Africa loan facility.

In conclusion, the University's financial position reflects a well-balanced and resilient foundation. Strong asset growth, careful stewardship of designated resources, and proactive management of key risks position the institution to navigate current challenges with confidence, while maintaining a clear focus on long-term sustainability and strategic growth.

Statement of Comprehensive Income

Council Controlled Unrestricted Operations



	Susidies and grants	Tuition and other fee revenue	Sale of goods	Personnel	Other operating expenses
Council 2025	1 975 879	1 879 077	479 322	3 412 364	1 204 255
Council 2024	1 831 566	1 675 525	467 282	3 226 904	1 079 787

The Council-controlled unrestricted operations, which represent the University's core recurring activities supporting teaching and learning, continue to demonstrate resilience and disciplined financial management within a challenging environment. Total operating income increased by R360.81 million (9%) to R4.34 billion, driven largely by strong growth in subsidies and grants, as well as tuition and other fee income, which increased by R330.95 million (8%) and R144.31 million (8%) respectively. The growth in state funding reflects favourable adjustments in teaching and research output rates, while tuition revenue growth was supported by approved fee increases and stronger enrolment performance. On a gross basis, tuition income reached R2.00 billion, and after required IFRS adjustments, net tuition revenue increased by a robust 12%, reinforcing the strength of the University's core revenue streams.

Expenditure increased by R387.64 million (8%) to R5.00 billion, largely due to higher personnel costs and other operating expenses. The increase in personnel costs is primarily attributable to cost-of-living adjustments agreed with unions, reflecting the University's commitment to supporting its staff in an inflationary environment. At the same time, the University continues to prioritise student access and success, with total financial support to undergraduate students increasing to R1.92 billion (2024: R1.75 billion). This support is funded through a diversified mix of external bursaries, NSFAS funding, Council-controlled resources, and endowment income, demonstrating a sustained and balanced approach to funding student needs.

While the council-controlled recurrent operations recorded a surplus of R68.65 million (2024: R192.6 million deficit) on a management basis, this turnaround is well understood and primarily reflects financial discipline on cost pressures associated with personnel and operations. When viewed on a consolidated financial reporting basis, the deficit attributable to council-controlled unrestricted funds improved significantly to R320.96 million (2024: R434.66 million), supported by consistent investment income contributions. The variance between management and financial reporting perspectives is largely technical, arising from IFRS adjustments and the strategic allocation of financing income toward capital investment and long-term initiatives.

Capital expenditure for the year amounted to R216 million, reflecting a deliberate and measured approach to investment, with the lower level of spend relative to 2024 aligned to the timing of strategic and ICT-related projects.

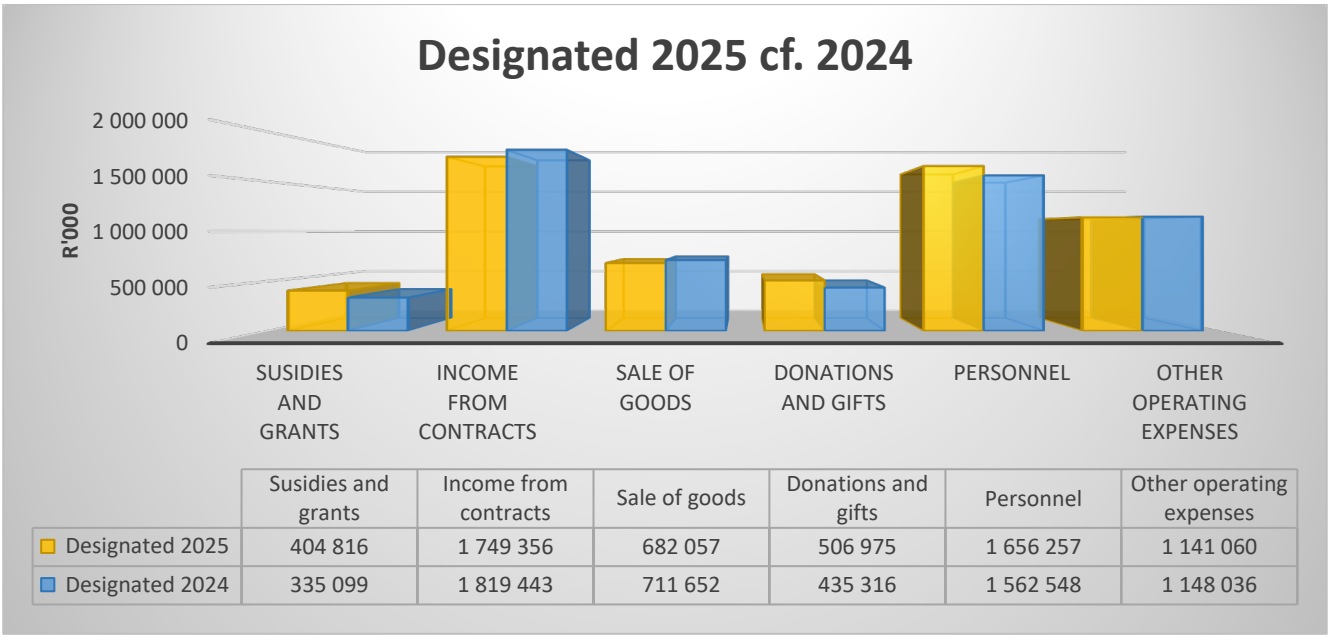
Overall, the performance of council-controlled operations reflects a stable and well-managed core, with strong revenue growth, sustained investment in staff and students, and improving reported outcomes. While cost

pressures remain evident, the trajectory of results reinforces confidence in the University's ability to manage its core operations effectively while advancing its financial sustainability agenda.

Table 21: 2025 Reconciliation between AFS and Management Accounts

Description	Amount (R'm)	Narrative
AFS deficit (Council-controlled)	**(321)**	**Deficit reported in the Annual Financial Statements**
Financial Accounting year-end adjustments	**+423**	**Includes HR accruals, Student Debt provisions, IFRS 16 and Consolidation adjustments**
AFS transactions not reflected in management accounts	**+132**	**Primarily Strategic allocations, CAPEX and non-operational items**
Investment Income	**(251)**	**Interest and Dividends applied to capital and strategic projects**
Asset accounting differences	**+86**	**Differences in asset transaction mapping, including Assets under construction (AUCs)**
Management accounts surplus	**69**	**Surplus per internal management reporting**

Specifically Funded Activities Restricted Operations



	Susidies and grants	Income from contracts	Sale of goods	Donations and gifts	Personnel	Other operating expenses
Designated 2025	404 816	1 749 356	682 057	506 975	1 656 257	1 141 060
Designated 2024	335 099	1 819 443	711 652	435 316	1 562 548	1 148 036

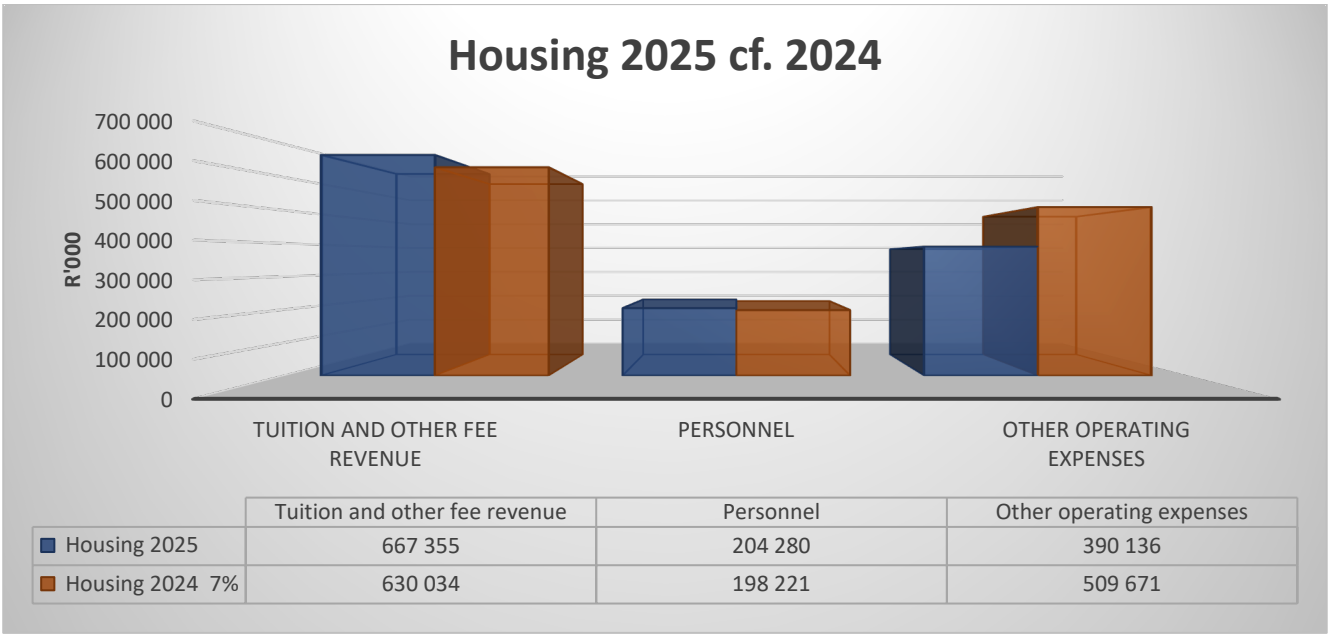
Designated, or specifically funded, activities remain a core strength of the University's broader financial ecosystem, reflecting its strong reputation as a research-intensive institution and its ability to attract significant external funding. These activities, which include research and donor-funded initiatives, are largely governed by funding agreements and donor intent, meaning that while the University retains oversight through governance, monitoring, and compliance processes, operational decision rights are often shared or constrained. The University continues to strengthen its internal systems and capabilities to effectively manage these demands and mitigate associated risks.

Financial performance within specifically funded activities remains stable overall, despite some shifts across revenue streams. Total revenue experienced a marginal decrease of 2% (R89.69 million), reflecting a modest decline in contract income of 4% to R1.75 billion. Importantly, this was partially offset by strong growth in other funding sources. Donations and gifts recovered significantly, increasing by 16% (R71.66 million), while government grants grew by a robust 21% to R404.82 million, demonstrating continued confidence from public and private stakeholders in the University's research and development agenda.

Research-related activity continues to form a substantial and strategically important component of the University's financial profile. Combined research income from grants and contracts remained steady at R2.15 billion, representing 56% of total specifically funded activity income of R3.88 billion and approximately 24% of the University's total income. Within this, contract income contributes 45%, government grants 10%, and research-related donations have shown meaningful growth, further strengthening the funding mix.

While these activities place increasing demands on core administrative functions, the University recognises the importance of continued investment in systems, processes, and skilled personnel to support this growth. Overall, the performance of designated funding reflects both resilience and opportunity: sustained research income, a diversified funding base, and strong donor and government support position the University well to continue expanding its research impact while carefully managing the associated operational complexities.

Student Housing Restricted Operations



	Tuition and other fee revenue	Personnel	Other operating expenses
Housing 2025	667 355	204 280	390 136
Housing 2024 7%	630 034	198 221	509 671

The Student Housing unit remains committed to delivering accessible, well-maintained, and sustainable accommodation that supports student success. In 2025, total revenue increased by 7% to R726.25 million, reflecting both stable demand and ongoing efforts to optimise operations. For the second consecutive year, the unit recorded a surplus, amounting to R172.66 million, compared to R10.49 million in 2024.

It is important to contextualise this outcome appropriately. The improved financial position is largely attributable to stronger residence fee income alongside careful cost management, including lower-than-anticipated staffing expenditure. This surplus is not indicative of excess pricing but rather reflects a prudent and necessary approach to ensuring the long-term sustainability of the housing portfolio. These resources are essential to fund ongoing maintenance, address infrastructure backlogs, and support future expansion of student accommodation in an increasingly constrained funding environment.

The University remains acutely aware of the affordability challenges faced by students and continues to balance financial sustainability with its commitment to access. Surpluses generated within Student Housing are therefore reinvested into the system to enhance quality, expand capacity, and ensure that residences remain safe, supportive, and fit for purpose over the long term.

Cash Flow Planning & The Statement of Cash Flows

The University maintains a disciplined and well-managed approach to cash flow, recognising its inherently cyclical nature. Cash levels typically reach a seasonal low at the end of March and peak in July/August, aligned with the timing of fee collections and subsidy receipts. This predictable cycle is actively managed through careful planning to ensure liquidity is maintained, investment opportunities are optimised, and strategic projects can be executed without disruption. Oversight is strengthened through the Cash Management Committee, chaired by the CFO, which meets regularly to monitor cash utilisation against requirements and reports through established governance structures to the University Finance Committee.

For the 2025 financial year, net cash utilised from operations improved significantly to R159.20 million, compared to R243.53 million in 2024, representing a 35% reduction. This positive movement reflects stronger inflows from tuition and other fee revenue, which increased by R240.87 million, as well as higher subsidies and grants of R214.03 million, driven by favourable adjustments in teaching and research funding. These improvements demonstrate effective cash flow management and the continued strength of core revenue streams.

The University's cash holdings remained stable, increasing slightly to R2.3 billion at year-end (2024: R2.2 billion), providing a solid liquidity buffer. Overall, the cash flow position reflects prudent stewardship, strong governance, and an enhanced ability to manage short-term volatility while supporting long-term financial sustainability.

Research Investments

The Research Contracts & Innovation (RC&I) Department celebrated 25 years since its establishment and featured this milestone in our annual publication Innovation at UCT 2025. A total of 41 spin-off companies has been established since the first in 2004 and in the 2024 audit there were at least 445 full time jobs associated with them. 17 of the companies entered the medical device sector underscoring the important role that universities play in establishing new sectors in their local economy.

The value of equity held by UCT in 14 spin-off companies is estimated to be R445.8m and the first dividends were received from two of them. 28 new license agreements were entered into as well as five pre-license "evaluation agreements", whilst the revenue from IP transactions was R3.6m and R18.4m has been received over the past 10 years. This income is distributed according to the IP Policy to reward the inventors in their personal capacity but also to contribute to their own and other research and innovation activities at the university.

A new spin-off company was incorporated – n-Labs Innovation (Physics) - to commercialise innovative technology and services in the neutron and gamma ray detection and there are a number that are being worked on that will be incorporated during 2026.

UCT is in an almost unique position in South Africa in having several internal seed funds that can be used to support technology development, innovation and spin-off company formation. This aligns with 'best practice' in more developed ecosystems in the USA, UK and Europe.

The Innovation Builder Fund, which provides grants of up to R500k per project, helped to bring UCT's innovative research closer to commercialisation by lowering technical risk and advancing prototypes to higher technology readiness levels. The Fund continues to be an important way to bridge the link between innovative research and a commercialised product that can benefit society and a review assessing its first five years of operation noted that the projects had/will support the formation of 14 spin-off companies. Commercial partnerships and follow-on funding were attracted by 21 of the 52 projects awarded funding over the five years, a number that the 22 projects currently in progress will hopefully add to.

Risks and Opportunities

Looking ahead, the University continues to operate in a complex and evolving environment shaped not only by domestic funding pressures but also by broader global dynamics. Increasing geopolitical uncertainty has introduced additional volatility into key cost drivers, particularly through its impact on foreign exchange rates and energy prices. As a globally connected institution, UCT is exposed to currency fluctuations affecting imported goods, research equipment, international subscriptions, and collaborative programmes, while movements in fuel prices, linked to global energy markets, have direct implications for operational costs such as the University's transport fleet and backup energy requirements. These factors underscore the importance of continued vigilance and proactive financial planning to mitigate external shocks.

At the same time, structural pressures within the higher education funding landscape remain a central consideration. The evolving NSFAS environment continues to pose a significant risk, as reduced per capita funding and policy adjustments place increasing strain on students and institutions alike. For UCT, with its substantial cohort of financially supported students, this creates both a financial and social imperative: to sustain access while managing the associated funding gap responsibly. The University remains actively engaged with stakeholders and continues to explore innovative mechanisms to support students in a manner that is both equitable and financially sustainable.

Against this backdrop, the University's focus remains firmly on strengthening its financial resilience while positioning itself to seize emerging opportunities. The ongoing implementation of the Financial Sustainability Plan provides a structured and forward-looking framework to stabilise costs, enhance operational efficiency, and

diversify revenue streams. Importantly, this programme is not only responsive to risks but also enables the University to adapt its operating model, invest strategically, and build capacity in areas of future growth.

In navigating this environment, the University is leveraging strong governance, disciplined financial management, and scenario-based planning to ensure it remains agile and responsive. While external pressures, both global and domestic, are expected to persist, these are being actively managed within a clear strategic framework. This positions UCT not only to absorb potential shocks but also to capitalise on opportunities, ensuring that it continues to deliver on its academic mission while maintaining a sustainable and resilient financial foundation.

Mr Reeza Isaacs CA(SA)
Chair: University Finance Committee

Mr Vincent Motholo CA(SA)
Chief Financial Officer

13 June 2026

COUNCIL'S STATEMENT OF RESPONSIBILITY FOR THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

The annual financial statements for the financial year 2025 presented on pages 81 to 161 have been prepared in accordance with International Financial Reporting Standards (IFRS) Accounting Standards 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. A copy of the annual financial statements of the University is available on its website.

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 Incorporated (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 81 to 161 were authorised for issue on 30 June 2026, in accordance with a resolution of the University Council on 13 June 2026, and are signed on its behalf by:

A copy of the annual financial statements of the University is available on its website. The Council is responsible for the maintenance and integrity of statutory and audited information on the University's website.

Advocate Norman Arendse
Chair: Council

Mr Oratile Mothudi CA(SA)
Chair: University Audit & Risk Committee

Mr Reeza Isaacs CA(SA)
Chair: University Finance Committee

Professor Mosa Moshabela
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 2025

Independent auditor's report to the Minister of Higher Education 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 97 to 161, which comprise the consolidated statement of financial position as at 31 December 2025, consolidated statement of comprehensive income, consolidated statement of other comprehensive income, consolidated statement of changes in fund balances and consolidated statement of cash flows for the year then ended, as well as notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the group as at 31 December 2025 and its consolidated financial performance and consolidated cash flows for the year then ended in accordance with the IFRS Accounting Standards and the requirements of the Public Higher Education Institutions, 2014, issued in terms of the Higher Education Act.

Basis for opinion

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

We are independent of the group in accordance with the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors* of the (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa.

PricewaterhouseCoopers Inc.
1st Floor, Trumali Forum Building, Trumali Park, Corner Trumali Street and the R44, Stellenbosch, 7600
P.O. Box 57, Stellenbosch, 7599
T: +27 (0) 21 815 3000
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

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.

In terms of the IRBA Rule on Enhanced Auditor Reporting for the Audit of Financial Statements of Public Interest Entities, published in Government Gazette No. 49309 dated 15 September 2023 (EAR Rule), we report:

Final materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error, and they 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 the consolidated financial statements.

Our determination of materiality is a matter of professional judgement and is affected by our perception and understanding of the financial information needs of intended users, which is the quantitative and qualitative factors that determine the level at which relevant decisions taken by users would be affected by a misstatement. These factors helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the consolidated financial statements as a whole.

Based on our professional judgement, we determined final materiality for the consolidated financial statements as follows:

Final materiality amount	R82.3 million
Basis for determining materiality	0.9% of total revenue, as disclosed in the consolidated statement of comprehensive income
Rationale for benchmark applied	Total revenue is an appropriate quantitative indicator of materiality as it is the benchmark against which the performance of the Group is most commonly measured by users and is a generally accepted benchmark

Group audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, considering the structure of the group and the accounting processes and controls.

The Group consists out of five components, all of which operate in the Republic of South Africa. Full scope audits were performed for three components that were considered to be significant due to size or risk.

Furthermore, we performed an audit of one or more specific financial statement line items, at one additional component in order to obtain sufficient coverage.

The remaining component was inconsequential to the Group and procedures were limited to targeted risk assessment analytics.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements for the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our opinion, and we do not provide a separate opinion on these matters.

We have determined the matter described below to be the key audit matter to be communicated in our report.

In terms of the EAR Rule, we are required to also report the outcome of audit procedures or key observations with respect to the key audit matters, and these are included below:

Key audit matter	How the matter was addressed in the audit
Expected credit losses on student fees receivables Student fees receivables consist of gross receivables and an expected credit loss ("ECL") provision which amounted to R 1,007 million and R 465.9 million, respectively, in the consolidated financial statements. Refer to notes 3.1.3, 3.2.5, 4.10 and 9 to the consolidated financial statements for disclosure regarding this key audit matter. As described in the "Accounting policies, Significant accounting judgments and estimates" section of the consolidated financial statements, the group uses judgement based on the Group's history, existing market conditions as well as	In assessing management's expected credit losses: • We tested the mathematical accuracy of the ECL calculation. • We assessed the appropriateness of the ageing categorisation by testing a sample of students to assess whether their outstanding debt was categorised correctly. • We assessed the expected credit loss allowance calculated by management, with support from our actuarial experts. Using the Group's historical data, we modelled the recovery of outstanding balances across ageing categories and derived through-the-cycle (TTC) loss rates. These rates were then applied to the respective balances to determine a

Key audit matter	How the matter was addressed in the audit
forward looking estimates at the end of each reporting period to estimate the ECL provision. International Financial Reporting Standard (IFRS) 9 – Financial Instruments, requires the recognition of ECL on financial assets within the scope of its impairment model. The Group follows a 'simplified approach' for recognition of impairment loss allowance on student fees receivables. It recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. As a practical expedient, the Group uses a provision model to determine the impairment loss allowance on the student fees receivables. The provision model is based on its historically observed default rates over the expected life of the student fees receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. We considered the determination of the expected credit loss on the student fees	reasonable range for the expected credit loss allowance as at 31 December 2025.

Key audit matter	How the matter was addressed in the audit
receivables to be a matter of most significance in the current year audit due to the judgement applied to assess the recoverability of the student fees receivables and the credit risk associated with it.	

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 Public Higher Education Institutions, 2014, issued in terms of the Higher Education Act 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 Council either intends to liquidate the group or to cease operations, or has no realistic alternative but to do so.

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

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

A further description of our responsibilities for the audit of the consolidated financial statements is included in the annexure to this auditor's report. This description, which is located at page 93, forms part of our 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 the 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 2025 for auditing. We selected objectives that measures the University's performance on its primary mandated functions and that are of significant national, community or public interest.

Objective	Page numbers	Purpose
Access	32	To meet the University's core objectives of teaching and learning
Success	32	To meet the University's core objectives of teaching and learning
Efficiency	32	To meet the University's core objectives of teaching and learning

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 to ensure that they are easy to understand and can be applied consistently, as well as verifiable so that we 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 those 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 and is comparable and understandable
- there is adequate supporting evidence for the achievements reported. We performed the procedures for the purpose of reporting material findings only; and not to express an assurance opinion or conclusion.

We did not identify any material findings on the reported performance information for the selected objectives.

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 University, 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

Members of staff did not notify the University of a conflict or possible conflict of interest before the University procured goods or services from such member of staff or an organisation within which such 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 annual report. 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. 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.

Management did not implement adequate internal controls to ensure compliance with applicable laws and regulations. This resulted in the compliance findings disclosed above.

Other reports

We draw attention to the following engagements conducted by us. 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.

Audit related services and special audits: Agreed-Upon procedures

Entity name/ engagement	Purpose of the engagement	Status of the engagement	Period covered
HEMIS DHET Student and Financial Data	Agreeing a sample of various information relating to the HEMIS submission to DHET	In progress	01 January - 31 December 2025
Supplementary Financial Data and Performance/Status Indicators	Agreeing the information in the schedule to underlying records.	In progress	01 January - 31 December 2025

**27 additional agreed-upon procedures were issued by other service providers*

Audit tenure

In terms of the IRBA Rule published in Government Gazette No. 39475 dated 4 December 2015, we report that PricewaterhouseCoopers Inc. has been the auditor of University of Cape Town for 5 years.

PricewaterhouseCoopers Inc.

PricewaterhouseCoopers Inc.
Director: Duncan Adriaans
Registered Auditor
Stellenbosch, South Africa
19 June 2026

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 responsibilities 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.

Consolidated financial statements

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

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- 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 group 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.
- plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes 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.

From the matters communicated to those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the current period and are therefore key audit matters. We describe these matters in this auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare

circumstances, we determine that a matter should not be communicated in this auditor's report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest of such communication.

Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Annual Financial Statements	
Higher Education Act No 101 of 1997	41(2) and 41(1)(b)(ii)
Regulations for reporting by Public Higher Education Institutions, 2014, issued in terms of the Higher Education Act	7(4)(b)(xii)
Asset Management	
Higher Education Act No 101 of 1997	20(5), 40(3)(a)(i), 40(3)(a)(ii) and 40(3)(a)(iii)
Strategic Planning	
Regulations for reporting by Public Higher Education Institutions, 2014, issued in terms of the Higher Education Act	4(1), 4(2), 5(1), 5(2)(a), 5(2)(d), 5(2)(g), 5(2)(m), 6(2), 6(2)(d) and 6(3)
Consequence Management	
Prevention and Combating of Corrupt Activities Act 12 of 2004	34(1)

Legislation	Sections or regulations
Procurement and Contract Management	
Higher Education Act No 101 of 1997	34(4)(a), 34(4)(b), 34(5),34(6), 27(7)(c), 27(7)(e) and 27(7)(A) to(C)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2025

	Note	2025 R'000	2024 R'000 Restated*
ASSETS		**19 344 992**	**17 623 844**
Non-current assets		**16 267 182**	**15 113 937**
Property, plant and equipment	5	4 475 925	4 529 325
Right of use assets	20	255 516	189 682
Investments	6	11 466 853	10 334 674
Investments in associates	7	13 567	9 073
Loans receivable	8	39 332	30 173
Student loans receivable	27	15 989	21 010
Current assets		**3 077 810**	**2 509 907**
Investments	6	323 115	88 662
Inventories		1 982	1 313
Loans receivable	8	5 729	6 126
Accounts receivable and prepayments	9	544 831	362 507
Student fees receivable	9	541 513	487 700
Student loans receivable	27	5 156	29 921
Contract assets	17	8 145	8 565
Cash at bank and cash equivalents	10	1 647 339	1 525 113
ACCUMULATED FUNDS AND LIABILITIES		**19 344 992**	**17 623 844**
Accumulated funds		**15 665 852**	**14 360 298**
Non-distributable funds		7 235 648	6 273 480
Endowed funds		7 235 648	6 273 480
Restricted funds designated for specific activities		6 219 129	5 544 842
Education and general		6 256 544	5 754 914
Student and staff accommodation		(37 415)	(210 072)
Unrestricted Council-controlled funds		2 201 237	2 532 079
Non-controlling interests		9 838	9 897
Non-current liabilities		**2 035 898**	**1 730 000**
Deferred revenue	11	990 284	893 467
Interest-bearing borrowings	19	48 004	53 475
Employee benefit liabilities	12	796 117	650 350
Lease liabilities	20	201 493	132 708
Current liabilities		**1 643 242**	**1 533 546**
Accounts payable and accrued liabilities	13	633 522	616 857
Contract liabilities	17	52 731	56 430
Deferred revenue	11	420 362	358 623
Interest-bearing borrowings	19	8 514	7 878
Student deposits	17	137 415	133 134
Employee benefit liabilities	12	351 949	327 026
Lease liabilities	20	38 749	33 598

* Refer to note 32 for details of the restatement.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2025

(All amounts in R'000)

	Note	Council-Controlled Unrestricted	Specifically Funded Activities Restricted	Sub-total	Student and Staff Housing Restricted	Total	2024
Revenue		**4 549 030**	**3 878 364**	**8 427 394**	**726 253**	**9 153 647**	**8 684 033**
Subsidies and grants	14	1 975 879	404 816	2 380 695	-	2 380 695	2 166 665
Tuition and other fee income	17	1 879 077	-	1 879 077	667 355	2 546 432	2 305 559
Gross revenue		2 001 583	-	2 001 583	732 955	2 734 538	2 506 517
Council bursaries	21.1	(30 935)	-	(30 935)	(18 257)	(49 192)	(61 896)
Restricted bursaries	21.1	(91 571)	-	(91 571)	(47 343)	(138 914)	(139 062)
Income from contracts		-	1 749 356	1 749 356	-	1 749 356	1 819 443
Sale of goods and services	17	479 322	682 057	1 161 379	36 698	1 198 077	1 211 782
Donations and gifts		7 264	506 975	514 239	-	514 239	441 676
Sub-total		**4 341 542**	**3 343 204**	**7 684 746**	**704 053**	**8 388 799**	**7 945 125**
Interest	15	207 488	390 325	597 813	22 200	620 013	612 567
Dividends	15	-	144 835	144 835	-	144 835	126 341
Expenditure		**5 026 008**	**3 282 339**	**8 308 347**	**614 104**	**8 922 451**	**8 530 025**
Personnel costs	16	3 412 364	1 656 257	5 068 621	204 280	5 272 901	4 987 673
Other operating expenses	18	1 204 255	1 141 060	2 345 315	390 136	2 735 451	2 737 494
Expected credit losses	9&27	155 961	-	155 961	-	155 961	107 873
Financial aid and scholarships	21.1	42 737	340 384	383 121	-	383 121	357 904
Depreciation	5&20	187 046	144 172	331 218	19 688	350 906	317 029
Sub-total		**5 002 363**	**3 281 873**	**8 284 236**	**614 104**	**8 898 340**	**8 507 973**
Finance costs	28	23 645	466	24 111	-	24 111	22 052
Other income/(losses)		**(13 185)**	**1 135 732**	**1 122 547**	**(189)**	**1 122 358**	**697 973**
Income from associates	7	-	4 350	4 350	-	4 350	2 785
Profit/(loss) on disposal of property, plant & equipment		(23 034)	(13 434)	(36 468)	(189)	(36 657)	(7 927)
Fair value profit/(loss) on fair value through profit or loss financial		9 849	1 144 816	1 154 665	-	1 154 665	703 115
NET OPERATING SURPLUS/(DEFICIT)		**(490 163)**	**1 731 757**	**1 241 594**	**111 960**	**1 353 554**	**851 981**
Transfers between funds	22.1	169 206	(229 903)	(60 697)	60 697	-	-
SURPLUS/(DEFICIT) FOR THE YEAR		**(320 957)**	**1 501 854**	**1 180 897**	**172 657**	**1 353 554**	**851 981**
Attributable to:							
University operations		(320 957)	1 501 913	1 180 956	172 657	1 353 613	851 875
Non-controlling interests		-	(59)	(59)	-	(59)	106

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2024

(All amounts in R'000)

	Note	Council-Controlled Unrestricted	Specifically Funded Activities Restricted	Sub-total	Student and Staff Housing Restricted	Total	2023
Revenue		**4 218 078**	**3 788 673**	**8 006 751**	**677 282**	**8 684 033**	**8 628 184**
Subsidies and grants	14	1 831 566	335 099	2 166 665	-	2 166 665	2 167 801
Tuition and other fee income	17	1 675 525	-	1 675 525	630 034	2 305 559	2 031 590
Gross revenue		1 813 416	-	1 813 416	693 101	2 506 517	2 322 828
Council bursaries	21.1	(43 712)	-	(43 712)	(18 184)	(61 896)	(171 187)
Restricted bursaries	21.1	(94 179)	-	(94 179)	(44 883)	(139 062)	(120 051)
Income from contracts		-	1 819 443	1 819 443	-	1 819 443	1 772 827
Sale of goods and services	17	467 282	711 652	1 178 934	32 848	1 211 782	1 213 675
Donations and gifts		6 360	435 316	441 676	-	441 676	757 679
Sub-total		**3 980 733**	**3 301 510**	**7 282 243**	**662 882**	**7 945 125**	**7 943 572**
Interest	15	237 345	360 822	598 167	14 400	612 567	576 719
Dividends	15	-	126 341	126 341	-	126 341	107 893
Expenditure		**4 636 313**	**3 167 142**	**7 803 455**	**726 570**	**8 530 025**	**8 279 513**
Personnel costs	16	3 226 904	1 562 548	4 789 452	198 221	4 987 673	4 745 508
Other operating expenses	18	1 079 787	1 148 036	2 227 823	509 671	2 737 494	2 753 165
Expected credit losses	9	107 873	-	107 873	-	107 873	75 527
Financial aid and scholarships	21.1	41 637	316 267	357 904	-	357 904	370 158
Depreciation	5&20	158 518	139 833	298 351	18 678	317 029	309 548
Sub-total		**4 614 719**	**3 166 684**	**7 781 403**	**726 570**	**8 507 973**	**8 253 906**
Finance costs	28	21 594	458	22 052	-	22 052	25 607
Other income/(losses)		**8 840**	**690 912**	**699 752**	**(1 779)**	**697 973**	**691 030**
Income from associates	7	-	2 785	2 785	-	2 785	(1 497)
Profit/(loss) on disposal of property, plant & equipment		(4 392)	(1 756)	(6 148)	(1 779)	(7 927)	(4 809)
Fair value profit/(loss) on fair value through profit or loss financial instruments		13 232	689 883	703 115	-	703 115	697 336
NET OPERATING SURPLUS/(DEFICIT)		**(409 395)**	**1 312 443**	**903 048**	**(51 067)**	**851 981**	**1 039 701**
Transfers between funds	22.1	(25 265)	(36 288)	(61 553)	61 553	-	-
SURPLUS/(DEFICIT) FOR THE YEAR		**(434 660)**	**1 276 155**	**841 495**	**10 486**	**851 981**	**1 039 701**
Attributable to:							
University operations		(434 660)	1 276 049	841 389	10 486	851 875	1 039 524
Non-controlling interests		-	106	106	-	106	177

CONSOLIDATED STATEMENT OF CHANGES IN FUND BALANCES FOR THE YEAR ENDED 31 DECEMBER 2025

(All amounts in R'000)

	Note	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		**6 273 480**	**5 754 914**	**(210 072)**	**2 532 079**	**9 897**	**14 360 298**
Total comprehensive income/(loss)		-	1 501 913	172 657	(368 957)	(59)	1 305 554
Surplus/(deficit) for the year		-	1 501 913	172 657	(320 957)	(59)	1 353 554
Other comprehensive income/(losses)		-	-	-	(48 000)	-	(48 000)
Transfers between funds	22.2	962 168	(1 000 283)	-	38 115	-	-
Closing fund balances		**7 235 648**	**6 256 544**	**(37 415)**	**2 201 237**	**9 838**	**15 665 852**

CONSOLIDATED STATEMENT OF CHANGES IN FUND BALANCES FOR THE YEAR ENDED 31 DECEMBER 2024

(All amounts in R'000)

	Note	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		**5 716 020**	**5 069 793**	**(220 558)**	**2 940 189**	**9 791**	**13 515 235**
Total comprehensive income/(loss)		-	1 276 049	10 486	(440 860)	106	845 781
Surplus/(deficit) for the year		-	1 276 049	10 486	(434 660)	106	851 981
Other comprehensive income/(losses)		-	-	-	(6 200)	-	(6 200)
Transfers between funds	22.2	557 460	(590 210)	-	32 750	-	-
Loss of control of subsidiary		-	(718)	-	-	-	(718)
Closing fund balances		**6 273 480**	**5 754 914**	**(210 072)**	**2 532 079**	**9 897**	**14 360 298**

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2025

(All amounts in R'000)

		Council-Controlled Unrestricted	Specifically-Funded Activities Restricted	Student and Staff Housing Restricted	Total
Surplus/(deficit) for the year		**(320 957)**	**1 501 854**	**172 657**	**1 353 554**
Other comprehensive income					
Other comprehensive income not to be reclassified to surplus or deficit in subsequent periods		(48 000)	-	-	(48 000)
Actuarial gains/(losses) on post-retirement medical aid benefit obligation	12.3	(48 000)	-	-	(48 000)
TOTAL COMPREHENSIVE INCOME/(LOSS)		**(368 957)**	**1 501 854**	**172 657**	**1 305 554**
Attributable to:		**(368 957)**	**1 501 854**	**172 657**	**1 305 554**
University operations		(368 957)	1 501 913	172 657	1 305 613
Non-controlling interests		-	(59)	-	(59)

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2024

(All amounts in R'000)

		Council-Controlled Unrestricted	Specifically-Funded Activities Restricted	Student and Staff Housing Restricted	Total
Surplus/(deficit) for the year		**(434 660)**	**1 276 155**	**10 486**	**851 981**
Other comprehensive income					
Other comprehensive income not to be reclassified to surplus or deficit in subsequent periods		(6 200)	-	-	(6 200)
Actuarial gains/(losses) on post-retirement medical aid benefit obligation	12.3	(6 200)	-	-	(6 200)
TOTAL COMPREHENSIVE INCOME/(LOSS)		**(440 860)**	**1 276 155**	**10 486**	**845 781**
Attributable to:		**(440 860)**	**1 276 155**	**10 486**	**845 781**
University operations		(440 860)	1 276 049	10 486	845 675
Non-controlling interests		-	106	-	106

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2025

	Note	2025 R'000	2024 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from students, government and private sources		7 824 023	7 572 265
Cash paid to employees and suppliers		(7 983 224)	(7 815 791)
Cash generated from / (utilised in) operations	25	(159 201)	(243 526)
Interest received		148 540	173 238
Finance costs	28	(24 111)	(22 052)
Net cash inflows/(outflows) from operating activities		**(34 772)**	**(92 340)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisitions of property, plant and equipment	5	(277 761)	(421 932)
Proceeds on disposal of property, plant and equipment		1 883	10 377
Purchase of investments		(73 141)	(958 740)
Proceeds from sale of investments		394 177	1 409 079
Derecognition of subsidiary	2.4	-	(718)
Net cash inflows/(outflows) from investing activities		**45 158**	**38 066**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from interest-bearing borrowings	23.9	3 612	-
Payment of principal portion of interest-bearing borrowings	23.9	(8 447)	(7 859)
Payment of principal portion of lease liabilities	23.9	(50 182)	(30 822)
Government grants received - Infrastructure Efficiency Grant	11	166 857	38 316
Net cash inflows/(outflows) from financing activities		**111 840**	**(365)**
Net increase/(decrease) in cash and cash equivalents		122 226	(54 639)
Cash and cash equivalents at the beginning of the year		1 525 113	1 579 752
Cash and cash equivalents at the end of the year	10	**1 647 339**	**1 525 113**

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 2025 were authorised for issue on 19 June 2026, in accordance with a resolution of Council on 13 June 2026.

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® Accounting Standards amendments that became effective during the year.

2.1 New and Amended Standards and Interpretations

No new standards were implemented in the current year.

The University has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

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

Number	Effective date	Summary
Amendment to IFRS 9 "Financial Instruments" and IFRS 7 "Financial Instruments: Disclosures" - Classification and Measurement of Financial Instruments	Annual periods beginning on or after 1 January 2026 *(Published May 2024)*	These amendments: - clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system; - clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion; - add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and - make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI). This change is not expected to have a material impact.

2.2 IFRS Accounting Standards Amendments and IFRIC® Interpretations issued but not yet effective (continued)

Number	Effective date	Summary
Annual improvements to IFRS – Volume 11	Annual periods beginning on or after 1 January 2026 *(Published July 2024)*	These amendments include minor changes: - IFRS 1 “First-time Adoption of International Financial Reporting Standards”. The amendment deals with hedge accounting applied by a first-time adopter of IFRS; - IFRS 7 “Financial Instruments: Disclosures” and its accompanying Guidance on implementing IFRS 7. The amendments provide simplified guidance relating to gains or losses on derecognition, determination of fair value on initial recognition determined using unobservable inputs and credit risk; - IFRS 9 “Financial Instruments”. The amendments clarify the derecognition scope application for lease liabilities and how to measure trade receivables arising under IFRS 15 “Revenue from Contracts with Customers”; - IFRS 10 “Consolidated Financial Statements”. The amendments clarify the guidance on determining when a party is acting as a de facto agent; and - IAS 7 “Statement of Cash Flows”. The amendment updates the reference from the “cost method” to “cost” when measuring an investment in an associate, joint venture or subsidiary. This change is not expected to have a material impact.

2.2 IFRS Accounting Standards Amendments and IFRIC® Interpretations issued but not yet effective (continued)

Number	Effective date	Summary
IFRS 18 "Presentation and Disclosure in Financial Statements"	Annual periods beginning on or after 1 January 2027 *(Published April 2024)*	The objective of IFRS 18 is to set out requirements for the presentation and disclosure of information in general purpose financial statements (financial statements) to help ensure they provide relevant information that faithfully represents an entity's assets, liabilities, equity, income and expenses. IFRS 18 replaces IAS 1 "Presentation of Financial Statements" and focuses on updates to the statement of profit or loss with a focus on the structure of the statement of profit or loss; required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general. The new presentation requirements introduced in IFRS 18 will increase comparability of the financial performance of similar entities, especially related to how 'operating profit or loss' is defined. The new disclosure requirements for 'management-defined performance measures' will enhance transparency. The Group is in the process of determining the impact of applying IFRS 18. A transition plan has been prepared with the objective of assessing the impact and reporting adjustments of the new standard.

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.

2.4 Basis of consolidation

Entity	Nature of operations	Nature of ownership	Principal place of business
The University of Cape Town Foundation (UCT 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
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 Graduate School of Business Foundation ceased to be a subsidiary in the prior year.

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 or deficit 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.

2.4 Basis of consolidation (continued)

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 *IFRS 9: 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.

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 *IFRS 8: 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.

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.

3.1.2 Investments in subsidiaries

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.

In determining the present value of lease liabilities, management applies judgement in estimating appropriate incremental borrowing rates, as the interest rates implicit in the leases are not readily determinable. Separate rates are applied for property and non-property leases to reflect differences in asset type, tenure and risk. For non-property leases, which primarily comprise passenger vehicles and buses, management obtains indicative borrowing rates from the University's current vehicle lease financiers for a hypothetical loan financing arrangement. This rate is further corroborated through benchmarking against a comparable university of similar size and activities with vehicle-related borrowings. For property leases, management obtains a tailored interest rate quotation from a major South African bank, taking into account the value of the properties, loan tenor and the University's credit risk. Management considers these rates to reasonably reflect the interest rates the University would have incurred to borrow funds over similar terms and with similar security to acquire the underlying leased assets.

The University includes 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 for student accommodation and thus no further leases for student accommodation should be needed.

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 does not exercise any renewal options. Furthermore, the periods covered by termination options are included as part of the lease term only when they are reasonably certain 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 *IFRS 9: 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 current year valuation, 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.

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, and accounted for in term of *IAS20: Accounting for Government Grants and Disclosure of Government Assistance.*

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 *IFRS 15: 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 rate 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.

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 4.2.1 to 4.2.4 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.

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, a contract asset is recognised.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the University has received consideration from the customer. If a customer pays the consideration before the University transfers goods or services to the customer, a contract liability is recognised when the payment is made. Contract liabilities are released to the Statement of Comprehensive Income as revenue when the University fulfils its contract obligations.

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.

The University recognises contract assets and contract liabilities where commercial research-related revenue has been earned but not settled, or vice versa.

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.

The University recognises contract liabilities, referred to as student deposits, where tuition fees are received in advance of the academic year.

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.

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.

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 of the assets which range as follows:

	2025	**2024**
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 or deficit 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.

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 and trade payables 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 *IFRS 15: 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) prices in active markets for identical assets or liabilities. The fair values of listed investments are based on quoted market prices at year-end. The quoted market price refers to the closing price on the last date of business before year-end.

Level 2:

Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly. Uses quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in markets that are less than active and financial assets and liabilities valued using models where all significant inputs are observable directly or indirectly from market data.

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

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.

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

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 designated at fair value through profit and loss with net changes in fair value recognised in the Consolidated Statement of Comprehensive Income.

This category includes 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.

4.8.3 Financial Liabilities

Financial liabilities comprise accounts payable, 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.

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 trade 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 assets at amortised cost are written off when there is no reasonable expectation of recovering the contractual cash flows.

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.

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:

	2025	**2024**
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.

5. Property, Plant and Equipment

Year ended 31 December 2025

(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	**3 194 087**	**1 022 064**	**263 849**	**29 197**	**20 128**	**4 529 325**
Cost						
Cost 1 January	3 800 523	1 819 472	639 555	57 862	20 128	6 337 540
Additions	97 633	99 727	53 936	4 888	21 577	277 761
Transfers between classes	1 312	(1 307)	-	-	(5)	-
Disposals	(20 882)	(123 432)	(84 969)	(7 144)	-	(236 427)
Cost 31 December	**3 878 586**	**1 794 460**	**608 522**	**55 606**	**41 700**	**6 378 874**
Accumulated depreciation and impairment						
Balance 1 January	606 436	797 408	375 706	28 665	-	1 808 215
Disposals	(4 730)	(108 304)	(80 744)	(4 109)	-	(197 887)
Depreciation	69 579	128 819	90 606	3 617	-	292 621
Balance 31 December	**671 285**	**817 923**	**385 568**	**28 173**	**-**	**1 902 949**
Carrying amount at 31 December	**3 207 301**	**976 537**	**222 954**	**27 433**	**41 700**	**4 475 925**

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 R36.3 billion (2024: R39 billion).

The portion of land and buildings above relating to land only is R169.0 million (2024: R169.0 million).

Land and buildings above include leasehold improvements with a net carrying amount of R177.8 million (2024: R179.2 million).

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

5. Property, Plant and Equipment (continued)

Year ended 31 December 2024

(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	**3 160 760**	**963 870**	**230 766**	**28 955**	**29 668**	**4 414 019**
Cost						
Cost 1 January	3 704 632	1 669 533	568 732	57 121	29 668	6 029 686
Additions	79 202	187 074	135 946	4 795	14 915	421 932
Capitalisations	24 455	-	-	-	(24 455)	-
Disposals	(7 766)	(37 135)	(65 123)	(4 054)	-	(114 078)
Cost 31 December	**3 800 523**	**1 819 472**	**639 555**	**57 862**	**20 128**	**6 337 540**
Accumulated depreciation and impairment						
Balance 1 January	543 872	705 663	337 966	28 166	-	1 615 667
Disposals	(2 630)	(33 719)	(51 442)	(3 153)	-	(90 944)
Depreciation	65 194	125 464	89 182	3 652	-	283 492
Balance 31 December	**606 436**	**797 408**	**375 706**	**28 665**	**-**	**1 808 215**
Carrying amount at 31 December	**3 194 087**	**1 022 064**	**263 849**	**29 197**	**20 128**	**4 529 325**

6. Investments

LISTED INVESTMENTS	2025 R'000	2024 R'000
Local investments		
Equities	3 426 585	2 720 089
Mutual funds	794	9 106
Collective investment schemes	899 909	905 448
Capital market interest-bearing investments	1 708 308	1 148 144
International investments		
Mutual funds	187 726	151 059
Collective investment schemes	1 740 984	1 759 989
UNLISTED INVESTMENTS		
Local investments		
Mutual funds	345 507	284 263
Collective investment schemes	440 133	492 962
Capital market interest-bearing investments	1 034 411	1 185 705
Local money market and call deposits	688 689	664 857
Unlisted companies	120 082	108 234
International investments		
Mutual funds	912 732	744 075
Collective investment schemes	284 108	249 388
Money market and call deposits	-	17
TOTAL INVESTMENTS	**11 789 968**	**10 423 336**
Non-current	11 466 853	10 334 674
Current	323 115	88 662

The current portion of the investment balance relates to the disinvestment required to fund the anticipated 2026 distribution, as well as the disinvestment required to fund the 2025 distribution.

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

Fair value hierarchy

At year end, 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. The fair values of listed investments are based on quoted market prices at year-end. The quoted market price refers to the closing price on the last date of business before year-end.

Level 2:
Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly. Uses quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in markets that are less than active and financial assets and liabilities valued using models where all significant inputs are observable directly or indirectly from market data.

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

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.

Level 2 investments consist of money market and call deposits, corporate bonds 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.*

Level 3 investments consist of the University's investments in unlisted companies (spin-off entities) and certain mutual funds held in the UCT Foundation subsidiary.

Spin-off companies

For investments in start-up companies, cost is the best indication of fair value unless there is objective evidence that the investment has since been impaired. If recent investments have been made by spin-off companies, the price of this investment can provide a basis for valuation. If there is no readily ascertainable value following the price of recent investments, or there is objective evidence that a deterioration in fair value has occurred since a relevant transaction, a discounted cash flow valuation will be considered.

SA SME: Fund of VC Funds I

SA SME has invested in venture capital partnerships. The venture capital partnership investments take the form of ordinary shares, preference shares, debt, or hybrid instruments. SA SME does not hold these instruments directly, but is exposed to them through its investment in the venture capital partnerships. The venture capital partnerships use a variety of techniques to value their investments. Debt and preferences shares are held at amortised cost. For instruments measured at fair value, the venture capital partnerships will value these using an equity multiple, discounted cashflow, or hold them at cost. All venture capital partnerships are required to have their annual valuations audited. The UCT Foundation’s investment value is calculated based on the UCT Foundation's percentage interest in the partnerships and the fair market value of the partnerships' assets.

InfraImpact: Mid – Market Infrastructure Fund I

InfraImpact has invested in a private equity partnership, with a mandate to invest in water, waste, renewable energy and telecoms infrastructure. The partnership investment takes the form of equity and debt instruments. The primary valuation methodology employed is the discounted cashflow method. The partnership is externally valued twice a year, and adheres to the International Private Equity and Venture Capital Valuation Guidelines. The UCT Foundation’s investment value is calculated based on the UCT Foundation's percentage interest in the partnership and the fair market value of the partnership's assets.

Level 3 valuations are based on the most up-to-date information available on the reporting date. The unobservable inputs used in the investment values are not readily available, and therefore cannot be disclosed, nor can sensitivity analyses be performed. Any reasonable movements in these valuation inputs are not expected to have a material impact on the valuations.

A 10% change in the value of the underlying investments of the level 3 mutual funds held in the UCT Foundation would increase/decrease the net assets attributable to the group by:

	10% increase	10% decrease
	R'000	R'000
SA SME	3 392	(3 392)
InfraImpact	7 462	(7 462)

6. Investments (continued)

At 31 December 2025, 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	3 426 585	3 426 585	-	-
Mutual funds	346 301	794	236 966	108 541
Collective investment schemes	1 340 042	899 909	440 133	-
Capital market interest-bearing investments	2 742 719	1 708 308	1 034 411	-
Money market and call deposits	688 689	-	688 689	-
Unlisted entities	120 082	-	-	120 082
International investments				
Mutual funds	1 100 458	187 726	912 732	-
Collective investment schemes	2 025 092	1 740 984	284 108	-
Money market and call deposits	-	-	-	-
Total	**11 789 968**	**7 964 306**	**3 597 039**	**228 623**

At 31 December 2024, 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	2 720 089	2 720 089	-	-
Mutual funds	293 369	9 106	198 171	86 092
Collective investment schemes	1 398 410	905 448	492 962	-
Capital market interest-bearing investments	2 333 849	1 148 144	1 185 705	-
Money market and call deposits	664 857	-	664 857	-
Unlisted entities	108 234	-	-	108 234
International investments				
Mutual funds	895 134	151 059	744 075	-
Collective investment schemes	2 009 377	1 759 989	249 388	-
Money market and call deposits	17	-	17	-
Total	**10 423 336**	**6 693 835**	**3 535 175**	**194 326**

Reconciliation of Level 3 investments	2025 R'000	2024 R'000
Balance at 1 January	194 326	99 632
Purchases	55 039	98 390
Withdrawals	(15 451)	(666)
Investment returns/(expenses)	(3 792)	(2 839)
Fair value movements	(1 499)	(191)
Balance at 31 December	**228 623**	**194 326**

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	21.4	MariHealth Solutions (Pty) Ltd is a marine biotech spin-off company.	Cape Town, South Africa
Sleep Science Cape Town RF (Pty) Ltd (Sleep Science (Pty) Ltd)	30	Sleep Science Cape Town RF (Pty) Ltd is a sleep health spin-off company.	Cape Town, South Africa
AcinoTech (Pty) Ltd	20	AcinoTech (Pty) Ltd is a biomechanics analysis spin-off company.	Cape Town, South Africa

AcinoTech (Pty) Ltd is a spin-off company still in the start-up phase; there are no profits to equity account. The university's share in the losses of the associate has been limited to the value of the investment in the associate, which is nil.

Sleep Science (Pty) Ltd was still in the start-up phase in the prior year, hence no financial information disclosed in the prior year.

	2025 R'000			
	UCT Medical Centre (Pty) Ltd	MariHealth Solutions (Pty) Ltd	Sleep Science (Pty) Ltd	Total
	(26%)	(21.4%)	(30%)	
Opening balance	7 271	1 802	-	**9 073**
Other adjustments to carrying value of associate	-	144	-	**144**
Share of profit/(loss) for the year	4 781	(441)	10	**4 350**
Carrying value	**12 052**	**1 505**	**10**	**13 567**

	2024 R'000		
	UCT Medical Centre (Pty) Ltd	MariHealth Solutions (Pty) Ltd	Total
	(26%)	(21.4%)	
Opening balance	3 900	(1 012)	**2 888**
Other adjustments to carrying value of associate	-	3 400	**3 400**
Share of profit/(loss) for the year	3 371	(586)	**2 785**
Carrying value	**7 271**	**1 802**	**9 073**

7. Investments in Associates (continued)

Summarised provisional financial information is set out below.

Associates' statements of financial position at 31 December:

	2025 R'000			2024 R'000	
	UCT Medical Centre (Pty) Ltd	**MariHealth Solutions (Pty) Ltd**	**Sleep Science (Pty) Ltd**	**UCT Medical Centre (Pty) Ltd**	**MariHealth Solutions (Pty) Ltd**
Non-current assets	67 744	165	99	26 793	88
Current assets	42 405	6 896	32	23 470	8 661
Non-current liabilities	(44 501)	-	-	(5 739)	-
Current liabilities	(19 295)	(30)	(2)	(16 560)	(10)
Net assets/(liabilities)	**46 353**	**7 031**	**129**	**27 964**	**8 739**
Equity	**46 353**	**7 031**	**129**	**27 964**	**8 739**
Share capital	20 000	14 852	989	20 000	14 852
Accumulated losses	26 353	(7 821)	(860)	7 964	(6 113)

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

	2025 R'000			2024 R'000	
	UCT Medical Centre (Pty) Ltd	**MariHealth Solutions (Pty) Ltd**	**Sleep Science (Pty) Ltd**	**UCT Medical Centre (Pty) Ltd**	**MariHealth Solutions (Pty) Ltd**
Revenue	266 866	1 246	341	244 513	342
Cost of sales	(151 182)	(513)	-	(138 544)	(211)
Other income	1 248	497	-	1 369	455
Administrative expenses	(90 475)	(3 292)	(308)	(85 738)	(3 324)
Net finance costs	(1 728)	-	-	(4 383)	-
Profit/(loss) before tax	24 729	(2 062)	33	17 217	(2 738)
Income tax expense	(6 339)	-	-	(4 250)	-
Total comprehensive income for the year	**18 390**	**(2 062)**	**33**	**12 967**	**(2 738)**
University's share of profits/(losses)	**4 781**	**(441)**	**10**	**3 371**	**(586)**

8. Loans Receivable

	2025 R'000	2024 R'000
Non-current loans		
Loan to the Ukukhula Trust	867	685
Loans to Sports Science Share Block (Pty) Ltd shareholders	26 905	17 771
Loan to Inyosi Capital (Pty) Ltd	6 657	6 814
Loan to New Amalfi Technology Repair and Training (Pty) Ltd	4 903	4 903
	39 332	**30 173**
Current loans		
Loan to Cape BioPharms (Pty) Ltd	4 410	3 965
Loan to Acinotech (Pty) Ltd	1 220	1 052
Loan to Sleep Science Cape Town RF (Pty) Ltd	99	74
Loan to Impulse Biomedical (Pty) Ltd)	-	1 035
	5 729	**6 126**
Total loans	**45 061**	**36 299**

Additional details regarding these loans are set out below:

Loan	Interest	Repayment terms	Expected credit losses
Ukukhula Trust	Weighted average rate of interest of 8.15% (2024: 9.08%)	No fixed terms of repayment and is not expected to be realised in the next 12 months.	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 R5.2 million (2024: 4.9 million).
Sports Science Share Block (Pty) Ltd shareholders	Interest-free	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 recoverable, with no credit losses being recognised at year end (2024: Rnil).
Inyosi Capital (Pty) Ltd	Interest-free	5-year unsecured Enterprise Development loan, repayable at the earlier of 6 October 2027 or within 60 days of notice to repay the loan. At year end no notice of repayment have been issued and management does not intend to issue a notice of repayment within the next 12 months.	At year end, no impairment has been recognised (2024: Rnil) as there was no significant increase in the credit risk of this loan. Management deems the loan to be recoverable. No expected credit losses have been recognised (2024: Rnil).

8. Loans Receivable (continued)

Loan	Interest	Repayment terms	Expected credit losses
New Amalfi Technology Repair and Training (Pty) Ltd	Interest-free	5-year unsecured Enterprise Development loan, repayable at the earlier of 17 March 2027 or within 60 days of notice to repay the loan. At year end no notice of repayment have been issued and management does not intend to issue a notice of repayment within the next 12 months.	At year end, no impairment has been recognised (2024: Rnil) as there was no significant increase in the credit risk of this loan. Management deems the loan to be recoverable. No expected credit losses have been recognised (2024: Rnil).
Cape BioPharms (Pty) Ltd	Prime plus 1%	31 December 2022	Although Cape Bio Pharms (Pty) Ltd are currently experiencing cash flow problems and have been unable to settle this loan, management is of the opinion that due to the expected cash inflow from the imminent liquidation of one of their subsidiaries, that the loan is materially recoverable. Therefore, no expected credit losses have been recognised (2024: Rnil).
Acinotech (Pty) Ltd	Prime	No fixed terms of repayment.	There has been no notable increase in factors that would affect their ability to settle the loans. Management considers these loans recoverable and no expected credit losses have been recognised (2024: Rnil).
Sleep Science Cape Town RF (Pty) Ltd	Prime	No fixed terms of repayment.	There has been no notable increase in factors that would affect their ability to settle the loans. Management considers these loans recoverable and no expected credit losses have been recognised (2024: Rnil).

9. Accounts Receivable, Prepayments and Student Fees Receivable

	2025 R'000	2024 R'000
Research receivables	194 998	92 036
Other trade receivables	114 926	67 115
Total trade receivables	**309 924**	**159 151**
Property deposits and guarantees	634	635
Prepayments	76 419	77 583
National Research Foundation (NRF) accrual	78 562	67 055
Sundry receivables	79 292	58 083
Accounts receivables and prepayments	**544 831**	**362 507**
Student fees receivable	541 513	487 700
	1 086 344	**850 207**

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 largely of interest receivable amounting to R60.7 million (2024: R59.3 million).

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

Trade receivables

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

Amounts in R'000	Up to 30 days	31 to 60 days	61 to 90 days	91 to 180 days	181 days plus	Total
Net receivable: 31 December 2025	128 154	52 323	45 489	50 964	32 994	**309 924**
Gross trade receivables	129 877	53 519	46 283	52 158	42 189	**324 026**
Provision for expected losses	(1 723)	(1 196)	(794)	(1 194)	(9 195)	**(14 102)**
Expected loss rate	1.33%	2.23%	1.72%	2.29%	21.79%	**4.35%**

Amounts in R'000	Up to 30 days	31 to 60 days	61 to 90 days	91 to 180 days	181 days plus	Total
Net receivable: 31 December 2024	59 259	38 873	17 107	28 869	15 043	**159 151**
Gross trade receivables	60 982	40 069	17 901	30 063	24 238	**173 253**
Provision for expected losses	(1 723)	(1 196)	(794)	(1 194)	(9 195)	**(14 102)**
Expected loss rate	2.83%	2.98%	4.44%	3.97%	37.94%	**8.14%**

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.

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

At year end, trade receivables at a nominal value of R14.1 million (2024: R14.1 million) were impaired and fully provided for. Movements in the provision for expected credit losses of trade receivables were as follows:

	2025 R'000	2024 R'000
Balance at 1 January	14 102	14 102
Charge for the year	-	-
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% (2024:1%) 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	2025 Fees	2024 Fees	2023 Fees	2022 and Older Fees	Total
Net receivable: 31 December 2025	442 781	51 296	24 541	22 895	**541 513**
Gross student fees receivable	514 781	145 922	98 165	248 509	**1 007 377**
Provision for expected losses	(72 000)	(94 626)	(73 624)	(225 614)	**(465 864)**
Expected loss rate	13.99%	64.85%	75.00%	90.79%	**46.25%**

All amounts in R'000	2024 Fees	2023 Fees	2022 Fees	2021 and Older Fees	Total
Net receivable: 31 December 2024	406 673	42 662	27 498	10 867	**487 700**
Gross student fees receivable	481 373	106 654	109 992	138 239	**836 258**
Provision for expected losses	(74 700)	(63 992)	(82 494)	(127 372)	**(348 558)**
Expected loss rate	15.52%	60.00%	75.00%	92.14%	**41.68%**

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 2026 academic year.

At year end, student receivables with a nominal value of R465.8 million (2024: R348.6 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:

	2025 R'000	2024 R'000
Balance at 1 January	348 558	241 187
Charge for the year	125 649	107 873
Used	(8 343)	(502)
Balance at 31 December	**465 864**	**348 558**

10. Cash at Bank and Cash Equivalents

	2025 R'000	2024 R'000
Cash at bank and on hand	399 763	396 956
Local short-term bank deposits	1 247 576	1 128 157
	1 647 339	**1 525 113**

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:

		2025	2024
Standard Bank	Moody's	Baa3	Baa3
Absa Bank	Moody's	Baa3	Baa3
Grindrod Bank	GCR Ratings - an affiliate of Moody's	WD	WD

The weighted average effective interest rate on local short-term bank deposits was 9.42% (2024: 8.92%).

11. Deferred Revenue

11.1 Government Grants

	2025 R'000	2024 R'000
Total government grants at 1 January	932 467	929 928
Received during the year	166 857	38 316
Released to the Statement of Comprehensive Income	(50 121)	(35 777)
Total government grants at 31 December	**1 049 203**	**932 467**
Current portion of government grants at 31 December	58 919	39 000
Non-current portion of government grants at 31 December	990 284	893 467

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

	2025 R'000	2024 R'000
Total project income at 1 January	319 623	300 378
Received during the year	321 587	263 860
Released to the Statement of Comprehensive Income	(279 767)	(244 615)
Total project income at 31 December	**361 443**	**319 623**
Current portion of project income at 31 December	361 443	319 623
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.

The amount released to the Statement of Comprehensive Income forms part of the amount disclosed in the Income from contracts line in the Statement of Comprehensive Income.

12. Employee Benefit Liabilities

	2025 R'000		
	Current	**Non-current**	**Total**
Gratuity liability for academic staff	-	114 917	**114 917**
Leave liability for professional, administrative and support staff	313 244	-	**313 244**
Post-retirement medical aid benefit obligation	34 700	681 200	**715 900**
Performance-linked rewards liability	4 005	-	**4 005**
Total employee benefit liabilities	**351 949**	**796 117**	**1 148 066**

	2024 restated* R'000		
	Current	**Non-current**	**Total**
Gratuity liability for academic staff	10 004	71 750	**81 754**
Leave liability for professional, administrative and support staff	244 698	-	**244 698**
Post-retirement medical aid benefit obligation	34 100	578 600	**612 700**
Performance-linked rewards liability	38 224	-	**38 224**
Total employee benefit liabilities	**327 026**	**650 350**	**977 376**

* Refer to note 32 for details of the restatement.

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 4.7% (2024: 6.4%) per annum, while the discount rate that has been applied is 9.6% (2024: 12.2%).

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:

	2025		2024	
	R'000	**R'000**	**R'000**	**R'000**
	1%	**-1%**	**1%**	**-1%**
Change in liability - price inflation	9 912	(8 535)	9 873	(8 567)
Change in liability - discount rate	(8 535)	9 912	(8 567)	9 873

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

	2025	**2024**
	R'000	**R'000**
Obligation at the start of the year	81 754	97 535
Movement through profit and loss	34 801	(14 107)
Leave paid out	(1 638)	(1 674)
Obligation at the end of the year	**114 917**	**81 754**

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.

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

	2025	2024
	R'000	R'000
Obligation at the start of the year	244 698	218 474
Movement through profit and loss	96 454	68 379
Leave paid out	(27 908)	(42 155)
Obligation at the end of the year	**313 244**	**244 698**

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 9.6% (2024: 12.2%); expected inflation on medical aid contributions of 6.7% (2024: 8.4%). Post retirement mortality is based on PA (90) ultimate mortality tables rated down three years (2024: 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 13.5 years (2024: 17 years).

A sensitivity analysis of the key actuarial assumptions on the defined benefit obligation has been presented below:

	2025	2024*
	R'000	R'000
Liability as per the balance sheet	715 900	612 700
Discount rate: Less 0.5%	760 700	648 800
Discount rate: Plus 0.5%	674 300	579 700
Medical inflation rate: Less 1%	637 600	549 800
Medical inflation rate: Plus 1%	808 900	687 700
Mortality 1-year improvement	740 000	*Not available*
Mortality 1-year deterioration	690 900	*Not available*

* In the prior year the format of the sensitivity disclosure reflected the difference between the liability per the balance sheet and the sensitivity-adjusted liability. In the current year the disclosure has been amended to disclose the original and sensitivy-adjusted liablity figures.

The estimated liability for the current and previous four periods is as follows:

	2025	2024	2023	2022	2021
Liability	715 900	612 700	549 300	577 700	563 700

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 :

	2025	2024
	R'000	R'000
Within the next 12 months	34 700	34 100
Beyond 12 months	681 200	578 600
Total liability	**715 900**	**612 700**

12.3 Post-Retirement Medical Aid Benefit Obligation (continued)

The net expense recognised in profit and loss is as follows:

	2025 R'000	2024 R'000
Expenses in the income statement	89 800	87 900
- Interest on obligation	74 500	73 500
- Current service cost	15 300	14 400
(Gains)/losses in the statement of other comprehensive income	48 000	6 200
- Actuarial (gains)/losses due to changes in experience	(24 200)	(1 000)
- Actuarial (gains)/losses due to changes in financial assumptions	72 200	7 200

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

	2025 R'000	2024 R'000
Defined benefit obligation at the start of the year	612 700	549 300
Interest on obligation	74 500	73 500
Current service cost	15 300	14 400
Actuarial (gains)/losses	48 000	6 200
Benefits paid in respect of funding obligations	(34 600)	(30 700)
Defined benefit obligation at the end of the year	**715 900**	**612 700**

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:

	2025 R'000	2024 R'000
Obligation at the start of the year	38 224	39 927
Movement through profit and loss	4 005	38 224
Rewards paid out	(38 224)	(39 927)
Obligation at the end of the year	**4 005**	**38 224**

13. Accounts Payable and Accrued Liabilities

	2025	2024
	R'000	R'000
Trade payables	258 537	204 334
Accrued expenses	95 661	86 877
National Research Foundation grant deposit	33 297	46 400
Payroll liabilities	126 564	118 152
Other payables	119 463	161 094
	633 522	**616 857**
Financial liabilities	593 994	573 420
Non-financial liabilities	39 528	43 437
	633 522	**616 857**

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 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 R115.3 million (2024: R151.7 million).

14. Subsidies and Grants

	Note	2025	2024
		R'000	R'000
Subsidy for general purpose		1 921 020	1 772 377
State grants and contracts		409 554	358 511
State grants and contracts - release of deferred revenue	11	50 121	35 777
		2 380 695	**2 166 665**

There are no unfulfilled conditions or other contingencies attached to the subsidies and grants that have been recognised above.

15. Interest and Dividends

	2025	2024
	R'000	R'000
Interest earned on financial assets measured as at amortised cost		
Interest on cash at bank and deposits	136 166	127 924
Interest income on student fee receivables	103 715	89 198
Interest income on other receivables	1 910	8 694
	241 791	**225 816**
Interest earned on financial assets measured at fair value through profit and loss		
Interest on investments	378 222	386 751
	378 222	**386 751**
Total interest	**620 013**	**612 567**
Dividends earned in respect of investments	144 835	126 341
Total interest and dividends	**764 848**	**738 908**

16. Personnel Costs

All amounts in R'000	2025 Academic employees	2025 Administrative and research employees	2025 Total
Wages and salaries	1 878 123	2 511 171	**4 389 294**
Termination benefits	49 033	104 833	**153 866**
UCT Retirement Fund provident fund costs	275 813	359 549	**635 362**
Other provident and pension fund costs	-	4 579	**4 579**
Post-retirement medical aid benefits	39 075	50 725	**89 800**
	2 242 044	**3 030 857**	**5 272 901**

All amounts in R'000	2024 Academic employees	2024 Administrative and research employees	2024 Total
Wages and salaries	1 784 944	2 435 795	**4 220 739**
Termination benefits	(4 593)	75 706	**71 113**
UCT Retirement Fund provident fund costs	257 617	342 823	**600 440**
Other provident and pension fund costs	-	7 481	**7 481**
Post-retirement medical aid benefits	37 808	50 092	**87 900**
	2 075 776	**2 911 897**	**4 987 673**

Average number of persons employed during the year:

	2025	2024
Full time	5 772	5 732
Part time	2 063	2 037
Students	1 722	1 713
Total	**9 557**	**9 482**

17. Revenue from Contracts with Customers

	2025 R'000	2024 R'000
Tuition and other fee income	2 546 432	2 305 559
Gross tuition income	2 001 583	1 813 416
Gross residence income	732 955	693 101
Council bursaries	(49 192)	(61 896)
Restricted bursaries	(138 914)	(139 062)
Income from commercial research contracts	254 650	348 196
From contracts concluded in the current year	233 924	290 914
From contracts concluding within 12 months	1 859	24 151
From contracts concluding in more than 12 months	18 867	33 131
Sale of goods and services	1 198 077	1 211 782
Residence levies	19 797	19 453
Club and society subscriptions	7 885	6 166
Hotel revenue	195 346	190 150
Short course fees	282 881	270 127
Parking revenue	8 266	7 188
Rental income	25 033	24 298
Vacation accommodation	11 635	9 099
Sales revenue	37 748	39 399
Other income	609 486	645 902
Total revenue from contracts with customers	**3 999 159**	**3 865 537**
Over time	3 961 411	3 826 138
Point in time	37 748	39 399

Income from contracts which does not relate to commercial research contracts, as disclosed on the face of the Consolidated Statement of Comprehensive Income, amounted to R1.49 billion (2024: R1.47 billion). This revenue relates to performance obligations or milestones which were fully fulfilled within the year. Refer to note 11.2 for revenue that has been deferred to future periods.

The reconciliation of contract assets and liabilities has been set out below:

	2025 R'000			2024 R'000		
	Contract Assets	**Contract Liabilities**	**Student deposits**	**Contract Assets**	**Contract Liabilities**	**Student deposits**
Opening balance	8 565	(56 430)	(133 134)	7 605	(49 587)	(149 937)
Amounts received	3 664	(40 874)	(144 662)	2 379	(85 810)	(140 381)
Amounts utilised	(4 084)	44 573	140 381	(1 419)	78 967	157 184
Closing balance	**8 145**	**(52 731)**	**(137 415)**	**8 565**	**(56 430)**	**(133 134)**

The movements in the contract assets and liabilities form part of the amount disclosed in the Income from contracts line in the Statement of Comprehensive Income.

18. Other Operating Expenses

The following items are included in other operating expenses:

	2025 R'000	2024 R'000
Computer consumables	71 765	81 481
Consulting costs related to Council-Controlled & Student and Staff Housing*	104 886	108 801
Consulting costs related to Specifically Funded Activities*	211 243	206 639
Laboratory materials and services	161 252	221 000
Library acquisitions	127 387	133 662
Repairs and maintenance	198 295	244 433
Software costs	132 861	102 878
Water, electricity, rates and sewerage	322 057	297 254
Insurance costs	38 380	30 435
Safety and security services	44 622	68 353
Property leases	83 600	93 465
Travel and related costs	307 542	288 289
Hotel operating expenses	134 462	133 162
Exchange rate differences*	18 523	4 039
Statutory audit fees*	7 087	6 498
Non-statutory audit fees*	3 340	3 187
	1 967 302	**2 023 576**
Other expenses	768 149	713 918
Total other operating expenses	**2 735 451**	**2 737 494**

* *Additional expense types have been disclosed in the current year. Their comparatives have been disclosed but were not disclosed in the 2024 Annual Financial Statements.*

19. Interest-Bearing Borrowings

	2025 R'000	2024 R'000
Non-current borrowings		
Development Bank of South Africa	45 366	53 244
Sunlyn	323	231
African Bank	2 315	-
	48 004	**53 475**
Current borrowings		
Development Bank of South Africa	7 878	7 878
Sunlyn	116	-
African Bank	520	-
	8 514	**7 878**
Total borrowings	**56 518**	**61 353**

Interest-bearing loans are held to maturity at amortised cost.
Refer to the maturity analysis in note 23.6.

19. Interest-Bearing Borrowings (continued)

Loan entered into by UCT

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 South African Reserve Bank has announced a transition from JIBAR to ZARONIA by 2026. The DBSA loan is the only non-derivative financial liability impacted by the interest rate reform. The loan agreement has not yet been amended, but the DBSA have confirmed that the ZARONIA equivalent of the current interest rates will be applied.

The following debt covenants apply to the DBSA loan, and are assessed annually:

- 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%.

	2025	2024
Debt service ratio	27.25	21.53
Total debt to income ratio	0.6%	0.7%

At 31 December 2025, none of the DBSA loan covenants were in breach.

Loans entered into by the Sports Science Shareblock

The loan from Sunlyn refers to 2 agreements. The first bears interest at prime plus 4.5% and is repayable in 2026. The second was taken out in 2025, bears interest at prime plus 4% and the last instalment is due in 2031.

The loan from African Bank was taken out in 2025, first bears interest at prime plus 4.7% and the last instalment is due in 2031.

20. Leases

Lease activities relate to the lease of property for student housing and administrative purposes, as well as vehicles.

20.1 Right of Use Assets

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

	2025 R'000		
	Land, Buildings and Land Improvements	**Motor Vehicles**	**Total**
Carrying amount at 1 January	**186 989**	**2 693**	**189 682**
Cost			
Cost 1 January	566 517	61 383	**627 900**
Additions	17 022	107 097	**124 119**
Terminations	-	-	**-**
Cost 31 December	**583 539**	**168 480**	**752 019**
Accumulated depreciation			
Balance 1 January	379 528	58 690	**438 218**
Depreciation	48 844	9 441	**58 285**
Balance 31 December	**428 372**	**68 131**	**496 503**
Carrying amount at 31 December	**155 167**	**100 349**	**255 516**

	2024 R'000		
	Land, Buildings and Land Improvements	**Motor Vehicles**	**Total**
Carrying amount at 1 January	**215 626**	**4 310**	**219 936**
Cost			
Cost 1 January	563 234	61 383	**624 617**
Additions	4 829	-	**4 829**
Terminations	(1 546)	-	**(1 546)**
Cost 31 December	**566 517**	**61 383**	**627 900**
Accumulated depreciation			
Balance 1 January	347 608	57 073	**404 681**
Depreciation	31 920	1 617	**33 537**
Balance 31 December	**379 528**	**58 690**	**438 218**
Carrying amount at 31 December	**186 989**	**2 693**	**189 682**

20.2 Lease Liabilities

Set out below are the carrying amounts of lease liabilities and the movements during the period:

	2025 R'000	2024 R'000
As at 1 January	166 306	194 812
Additions	124 118	4 829
Interest	18 209	14 767
Payments	(68 391)	(45 589)
Terminations	-	(2 513)
As at 31 December	**240 242**	**166 306**
Non-current portion	201 493	132 708
Current portion	38 749	33 598
	240 242	**166 306**

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:

	2025 R'000	2024 R'000
Income from subleasing right-of-use assets	(62)	(106)
Depreciation expense of right-of-use assets	58 285	33 537
Interest expense on lease liabilities	18 209	14 767
Expense relating to short-term leases	143 523	178 401
Expense relating to leases of low-value assets	3 429	2 338
Total amount recognised in profit or loss	**223 384**	**228 937**

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:

	2025		
	Within 5 years	More than 5 years	Total
	R'000	R'000	R'000
Extension options expected not to be exercised	-	3 483 819	3 483 819

	2024		
	Within 5 years	More than 5 years	Total
	R'000	R'000	R'000
Extension options expected not to be exercised	-	3 483 819	3 483 819

21. Bursaries, financial aid and scholarships

21.1 UCT expenses

	2025 R'000			2024 R'000		
	Under-graduate	Post-graduate	Total	Under-graduate	Post-graduate	Total
Council-Controlled Un-restricted	43 605	48 324	**91 929**	29 292	74 241	**103 533**
Specifically-Funded Activities Restricted	109 675	369 623	**479 298**	88 480	366 849	**455 329**
	153 280	**417 947**	**571 227**	**117 772**	**441 090**	**558 862**

The above expenses have been disclosed in the consolidated income statement as follows:

	2025 R'000			2024 R'000		
	Under-graduate	Post-graduate	Total	Under-graduate	Post-graduate	Total
Offset against tuition income	93 191	94 915	**188 106**	80 622	120 336	**200 958**
Financial aid and scholarship expenses	60 089	323 032	**383 121**	37 150	320 754	**357 904**
	153 280	**417 947**	**571 227**	**117 772**	**441 090**	**558 862**

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.

	2025 R'000			2024 R'000		
	Under-graduate	Post-graduate	Total	Under-graduate	Post-graduate	Total
National Student Financial Aid Scheme (NSFAS)	807 918	-	**807 918**	711 257	-	**711 257**
Other external donors	432 367	1 841	**434 208**	383 458	1 820	**385 278**
	1 240 285	**1 841**	**1 242 126**	**1 094 715**	**1 820**	**1 096 535**

22. Transfers

22.1 Transfers in the Consolidated Statement of Comprehensive Income

	2025 R'000			
	Council-Controlled Unrestricted	Specifically-Funded Activities Restricted	Student and Staff Housing Restricted	Total
Research levies	72 308	(72 308)	-	-
Transfers of project costs	23 585	(18 681)	(4 904)	-
Transfer required due to *IFRS 15* treatment of bursaries	73 313	(138 914)	65 601	-
	169 206	**(229 903)**	**60 697**	-

	2024 R'000			
	Council-Controlled Unrestricted	Specifically-Funded Activities Restricted	Student and Staff Housing Restricted	Total
Investment of insurance payout	(217 026)	217 026	-	-
Research levies	77 041	(77 041)	-	
Transfers of project costs	38 725	(37 211)	(1 514)	-
Transfer required due to *IFRS 15* treatment of bursaries	75 995	(139 062)	63 067	-
	(25 265)	**(36 288)**	**61 553**	-

The transfer relating to the *IFRS 15: 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.

22.2 Transfers in the Consolidated Statement of Changes in Fund Balances

	2025 R'000			
	Endowed Funds	**Education and General**	**Council-Controlled**	**Total**
Transfer of UCT Foundation surplus	962 168	(962 168)	-	-
Transfer of endowed interest related to Council activities	-	(38 115)	38 115	-
	962 168	**(1 000 283)**	**38 115**	**-**

	2024 R'000			
	Endowed Funds	**Education and General**	**Council-Controlled**	**Total**
Transfer of UCT Foundation surplus	557 460	(557 460)	-	-
Transfer of endowed interest related to Council activities	-	(32 750)	32 750	-
	557 460	**(590 210)**	**32 750**	**-**

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.

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.

	Impact of these variances on surplus or deficit						
All amounts in R millions	**10%**	**5%**	**1%**	**-5%**	**-10%**	**-20%**	**-30%**
At 31 December 2025							
Local equities	342.7	171.3	34.3	(171.3)	(342.7)	(685.3)	(1 028.0)
Local mutual funds	34.6	17.3	3.5	(17.3)	(34.6)	(69.3)	(103.9)
Local collective investment schemes	134.0	67.0	13.4	(67.0)	(134.0)	(268.0)	(402.0)
Local capital markets	274.3	137.1	27.4	(137.1)	(274.3)	(548.5)	(822.8)
Local unlisted equity investments	12.0	6.0	1.2	(6.0)	(12.0)	(24.0)	(36.0)
International mutual funds	110.0	55.0	11.0	(55.0)	(110.0)	(220.1)	(330.1)
International collective investment schemes	202.5	101.3	20.3	(101.3)	(202.5)	(405.0)	(607.5)
	1 110.1	**555.0**	**111.1**	**(555.0)**	**(1 110.1)**	**(2 220.2)**	**(3 330.3)**

	Impact of these variances on surplus or deficit						
All amounts in R millions	**10%**	**5%**	**1%**	**-5%**	**-10%**	**-20%**	**-30%**
At 31 December 2024							
Local equities	272.0	136.0	27.2	(136.0)	(272.0)	(544.0)	(816.0)
Local mutual funds	29.3	14.7	2.9	(14.7)	(29.3)	(58.7)	(88.0)
Local collective investment schemes	139.8	69.9	14.0	(69.9)	(139.8)	(279.7)	(419.5)
Local capital markets	233.4	116.7	23.3	(116.7)	(233.4)	(466.8)	(700.2)
Local unlisted equity investments	10.8	5.4	1.1	(5.4)	(10.8)	(21.6)	(32.5)
International mutual funds	89.5	44.8	9.0	(44.8)	(89.5)	(179.0)	(268.5)
International collective investment schemes	200.9	100.5	20.1	(100.5)	(200.9)	(401.9)	(602.8)
	975.7	**488.0**	**97.6**	**(488.0)**	**(975.7)**	**(1 951.7)**	**(2 927.5)**

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 2025 year, students were charged interest at a fixed rate of 1.0% per month (2024: 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**						
Interest rate changes in basis points (BP)	**+200 BP**	**+100 BP**	**+50 BP**	**-50 BP**	**-100 BP**	**-200 BP**	**-300 BP**
At 31 December 2025							
Interest-bearing collective investment schemes and bonds	122.2	61.1	30.5	(30.5)	(61.1)	(122.2)	(183.2)
Money market and call deposits	13.8	6.9	3.4	(3.4)	(6.9)	(13.8)	(20.7)
Cash and cash equivalents	29.3	14.6	7.3	(7.3)	(14.6)	(29.3)	(43.9)
Interest-bearing loans receivable	0.8	0.4	0.2	(0.2)	(0.4)	(0.8)	(1.2)
Interest-bearing borrowings	(1.1)	(0.6)	(0.3)	0.3	0.6	1.1	1.7
Lease liabilities	(4.8)	(2.4)	(1.2)	1.2	2.4	4.8	7.2
	160.2	**80.0**	**39.9**	**(39.9)**	**(80.0)**	**(160.2)**	**(240.1)**

At 31 December 2024							
Interest-bearing collective investment schemes and bonds	114.8	57.4	28.7	(28.7)	(57.4)	(114.8)	(172.2)
Money market and call deposits	13.3	6.6	3.3	(3.3)	(6.6)	(13.3)	(19.9)
Cash and cash equivalents	30.5	15.3	7.6	(7.6)	(15.3)	(30.5)	(45.8)
Interest-bearing borrowings	0.7	0.4	0.2	(0.2)	(0.4)	(0.7)	(1.1)
Interest-bearing borrowings	(1.2)	(0.6)	(0.3)	0.3	0.6	1.2	1.8
Lease liabilities	(3.3)	(1.7)	(0.8)	0.8	1.7	3.3	5.0
	154.8	**77.4**	**38.7**	**(38.7)**	**(77.4)**	**(154.8)**	**(232.2)**

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 foreign exchange variances on surplus or deficit						
Movement in foreign exchange rate rates	**20%**	**10%**	**5%**	**-5%**	**-10%**	**-20%**	**-30%**
At 31 December 2025							
International mutual funds	220.1	110.0	55.0	(55.0)	(110.0)	(220.1)	(330.1)
International collective investment schemes	405.0	202.5	101.3	(101.3)	(202.5)	(405.0)	(607.5)
Trade receivables	17.8	8.9	4.5	(4.5)	(8.9)	(17.8)	(26.7)
Cash and cash equivalents	36.9	18.5	9.2	(9.2)	(18.5)	(36.9)	(55.4)
	679.8	**339.9**	**170.0**	**(170.0)**	**(339.9)**	**(679.8)**	**(1 019.7)**

All amounts in R millions	Impact of USD variances on surplus or deficit						
Movement in foreign exchange rate rates	**20%**	**10%**	**5%**	**-5%**	**-10%**	**-20%**	**-30%**
At 31 December 2024							
International mutual funds	179.0	89.5	44.8	(44.8)	(89.5)	(179.0)	(268.5)
International collective investment schemes	401.9	200.9	100.5	(100.5)	(200.9)	(401.9)	(602.8)
Trade receivables	15.6	7.8	3.9	(3.9)	(7.8)	(15.6)	(23.4)
	596.5	**298.2**	**149.2**	**(149.2)**	**(298.2)**	**(596.5)**	**(894.7)**

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 R309.9 million (2024: R159.2 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 R541.5 million (2024: R487.7 million), after the expected credit losses provision. Refer note 9 for further details.

23.5 Credit Risk (continued)

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 R21.1 million (2024: R50.9 million), after the expected credit losses provision. 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. 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 R4.4 billion (2024: R3.9 billion). The University places cash and cash deposits only with major financial institutions with good credit ratings.

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 2025						
Trade and other payables	13	-	593 994	-	-	**593 994**
Interest-bearing borrowings	19	-	12 267	42 101	14 914	**69 282**
Lease liabilities	20	-	47 885	110 853	517 779	**676 517**
		-	**654 146**	**152 954**	**532 693**	**1 339 793**
At 31 December 2024						
Trade and other payables	13	-	573 420	-	-	**573 420**
Interest-bearing borrowings	19	-	13 746	46 338	24 691	**84 775**
Lease liabilities	20	-	52 007	32 539	498 732	**583 278**
		-	**639 173**	**78 877**	**523 423**	**1 241 473**

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.

		Fair Value		Carrying Value	
		2025	2024	2025	2024
	Note	R'000	R'000	R'000	R'000
Financial Assets					
Cash and cash equivalents	10	1 647 339	1 525 113	1 647 339	1 525 113
Financial instruments at fair value through profit or loss	6	11 789 968	10 423 336	11 789 968	10 423 336
Accounts receivable	9	460 534	284 288	460 534	284 288
Student fees receivable	9	541 513	487 700	541 513	487 700
Loans receivable	8	45 061	36 299	45 061	36 299
Student loans receivable	27	21 145	50 931	21 145	50 931
Financial liabilities					
Accounts payable and accrued liabilities	13	593 994	573 419	593 994	573 419
Interest-bearing borrowings	19	56 518	61 353	56 518	61 353

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 land and buildings 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.

23.9 Change in Liabilities Arising from Financing Activities

	2025 R'000		
	Long-term loans	**Lease liabilities**	**Total**
Balance as at 1 January	61 353	166 306	**227 659**
Additions	3 612	124 118	**127 730**
Interest	5 853	18 209	**24 062**
Repayments	(14 300)	(68 391)	**(82 691)**
Capital	(8 447)	(50 182)	**(58 629)**
Interest	(5 853)	(18 209)	**(24 062)**
Terminations	-	-	**-**
Balance as at 31 December	**56 518**	**240 242**	**296 760**

	2024 R'000		
	Long-term loans	**Lease liabilities**	**Total**
Balance as at 1 January	69 212	194 812	**264 024**
Additions	-	4 829	**4 829**
Interest	6 827	14 767	**21 594**
Repayments	(14 686)	(45 589)	**(60 275)**
Capital	(7 859)	(30 822)	**(38 681)**
Interest	(6 827)	(14 767)	**(21 594)**
Terminations	-	(2 513)	**(2 513)**
Balance as at 31 December	**61 353**	**166 306**	**227 659**

24. Commitments

24.1 Capital Commitments

Capital commitments at the reporting date but not recognised in the financial statements are as follows:

	2025		
All amounts in R'000	**Contracted (purchase order raised)**	**Approved but not contracted for**	**Total**
Nelson Mandela Memorial and School of Public Governance	1 288	1	**1 289**
George Student Learning Centre and Student Accommodation	1 834	27	**1 861**
ARISE Building	154	106	**260**
Rochester House upgrade	-	106	**106**
Clarendon House re-instatement	41	14	**55**
Water sustainability project	16 372	11 885	**28 257**
New EBE Digital & Polar Lab	546	83 007	**83 553**
Sustainable Campus Infrastructure Projects	-	3 731	**3 731**
Various maintenance projects	14 399	1 594	**15 993**
ICT network renewal	55 304	1 284	**56 588**
ICT storage architecture renewal	-	926	**926**
Total	**89 938**	**102 681**	**192 619**

	2024		
	Contracted (purchase order raised)	**Approved but not contracted for**	**Total**
Nelson Mandela Memorial and School of Public Governance	207	7 591	**7 798**
George Student Learning Centre and Student Accommodation	1 896	337	**2 233**
ARISE Building	1 145	3 756	**4 901**
Rochester House upgrade	19	48 934	**48 953**
Clarendon House re-instatement	345	9 441	**9 786**
All Africa House refurbishment	-	13 332	**13 332**
Water sustainability project	1 817	36 464	**38 281**
Data Centre construction	2 282	19 732	**22 014**
ICT network renewal	74 882	3	**74 885**
ICT Upper Campus data centre refurbishment	579	974	**1 553**
ICT storage architecture renewal	-	926	**926**
Total	**83 172**	**141 490**	**224 662**

One of the University's subsidiaries, the UCT Foundation, is committed to future investments of R70.1 million (2024: R77.4 million) in various investment portfolios, when called upon to do so by the fund managers.

These commitments will be funded in terms of the University's Capital Management Policy as outlined in note 23.8, 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 R1 049.2 million (2024: R932.5 million) of Government grants reflected as deferred revenue in note 11.

24.2 Short Term and Low Value Lease Commitments – University as Lessee

For leases where the recognition exemptions of *IFRS 16: Leases* apply (short-term and low value), the totals of future minimum lease payments under non-cancellable operating leases are as follows:

	2025 R'000	2024 R'000
Within 1 year	3 032	2 248
1 to 2 years	1 617	1 196
2 to 3 years	469	276
3 to 4 years	-	18
More than 5 years	-	-
	5 118	**3 738**

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 6 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:

	2025 R'000	2024 R'000
Within 1 year	2 392	5 310
1 to 2 years	2 012	1 672
2 to 3 years	1 069	1 217
3 to 4 years	995	1 020
4 to 5 years	839	874
More than 5 years	111	77
	7 418	**10 170**

25. Cash Generated From Operations

Reconciliation of net surplus to cash generated from operations:

	Note	2025 R'000	2024 R'000
Surplus for the year		1 353 554	851 981
Adjusted for:			
Depreciation	**5 & 20**	350 906	317 029
Release of deferred revenue	**11**	(50 121)	(35 777)
Movement in employee benefits		122 690	65 940
(Profit)/loss on sale of property, plant and equipment		36 657	7 927
Investment income - interest		(546 013)	(564 567)
Investment income - dividends	**15**	(144 835)	(126 341)
Finance costs		24 111	22 052
Fair value movement on fair value through profit or loss financial instruments		(1 154 665)	(703 115)
Income/(loss) from associate	**7**	(4 350)	(2 785)
Changes in working capital			
(Increase)/decrease in accounts receivable, student fees receivable, student loans receivable, loans receivable and contract assets		(205 533)	(27 181)
(Increase)/decrease in inventories		(669)	(7)
Increase/(decrease) in accounts payable, accrued liabilities, project income and deposits		59 067	(48 682)
Cash generated from operations		**(159 201)**	**(243 526)**

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 2025						
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 M Moshabela	Vice-Chancellor	4 153	4 153	-	-	1 796
Professor E Ramugondo	Deputy Vice-Chancellor: Transformation	3 237	3 237	-	-	357
Professor J Murugan	Deputy Vice-Chancellor: Research & Internationalisation	1 695	1 695	-	1 334	-
Professor B Collier-Reed	Deputy Vice-Chancellor-Teacher & Learning	2 873	2 873	-	-	-
Associate Professor K Idensohn	Interim Registrar	1 564	1 564	-	469	-
M Parker	Acting Chief Operating Officer 01.01.2025 to 31.03.2025	2 598	649	-	154	-
	Executive Director: Properties & Services	2 598	1 948	-	-	-
R Van Huyssteen	Acting Chief Operating Officer 20.05.2025 to 31.12.2025	-	-	-	85	-
	Executive Director: Information and Communication Technology Services	2 519	2 519	-	-	-
N Brey	Acting Executive Director: HR 01.05.2025 to 31.05.2025	1 564	130	-	83	-
	Director: Analytics, Risk, Systems, Payroll & Admin 01.01.2025 to 30.04.2025 & 01.06.2025 to 31.12.2025	1 564	1 434	-	-	-
Advocate B Mapara	Acting Executive Director: HR 01.01.2025 to 30.04.2025	2 170	723	-	234	-
	Director: Employee Relations 01.05.2025 to 31.12.2025	2 170	1 447	-	-	-
R Mhango	Executive Director: HR 01.06.2025 to 31.12.2025	2 519	1 470	-	-	-
E Msengana-Bam	Executive Director: Communications & Marketing Department	2 236	2 236	-	-	-

26. Remuneration of Key Management (continued)

Executive Management Team During 2025						
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 01.01.2025 to 30.09.2025	2 519	1 889	-	-	-
C Pather	Acting Executive Director: Research 01.10.2025 to 31.12.2025	1 966	491	-	105	-
	Director: Research Enterprise 01.01.2025 to 30.09.2025	1 966	1 474	-	-	-
S Archer	Executive Director: Development & Alumni Department	2 519	2 519	-	-	-
Associate Professor L Green-Thompson	Dean: Faculty of Health Sciences	3 528	3 528	-	-	-
U Satgoor	Executive Director: Libraries	2 519	2 519	-	-	-
V Motholo	Chief Financial Officer	2 519	2 519	-	-	-
Dr CSM Duggan	Director: Graduate School of Business	2 897	2 897	-	-	-
P Mgolombane	Executive Director: Department of Student Affairs	2 519	2 519	-	-	-
Associate Professor K Behari-Leak	Dean: Centre for Higher Education Development	2 330	2 330	-	-	-
Professor D Chirwa	Dean: Faculty of Law	2 519	2 519	-	-	-
Professor A Lewis	Dean: Faculty of Engineering and the Built Environment 01.01.2025 to 31.07.2025	2 708	1 580	-	-	10
	Professor 01.08.2025 to 31.12.2025	2 708	1 128	-	-	-
Professor A Mainza	Dean: EBE 01.08.2025 to 31.12.2025	1 695	989	-	-	372
	Professor 01.01.2025 to 31.07.2025	2 519	1 050	-	-	94
Professor S Goodman	Dean: Commerce	2 708	2 708	-	-	-
Professor H Suleman	Dean: Faculty of Science	2 582	2 582	-	-	-
Professor S Kessi	Dean: Faculty of Humanities	2 708	2 708	-	-	-

* 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 R1 796 482 (2024: R731 226) is R892 486 (2024: R354 561), being the deemed value of the house and vehicle provided to the Vice-Chancellor as part of his package.

26. Remuneration of Key Management (continued)

Executive Management Team During 2024						
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 M Moshabela	Vice-Chancellor Appointment effective 01.08.2024	3 978	1 658	-	-	731
Emeritus Professor B Reddy	Vice-Chancellor *Interim* 01.01.2024 to 31.07.2024	4 167	2 384	-	-	-
	Special Advisor to the Vice-Chancellor 01.08.2024 to 31.10.2024	1 563	391	-	-	-
Professor J Murugan	Deputy Vice-Chancellor: Research & Internationalisation	1 590	1 590	-	1 227	-
Professor E Ramugondo	Deputy Vice-Chancellor: Transformation	2 836	2 836	-	-	-
M Parker	Executive Director: Properties & Services Acting Chief Operating Officer	2 488	2 488	295	589	-
Emeritus Professor L Ronnie	Acting Deputy Vice-Chancellor: Teaching & Learning 17.07.2023-31.12.2023	2 937	2 883	227	-	331
R Van Huyssteen	Executive Director: Information and Communication Technology Services	2 413	2 413	126	-	-
R Pillay	Registrar	2 413	2 413	378	-	-
N Brey	Acting Executive Director: HR 01.08.2024 to 31.10.2024	1 498	374	-	240	-
	Director: Analytics, Risk, Systems, Payroll & Admin 01.01.2024 to 30.09.2024	1 498	1 123	109	-	-
Advocate B Mapara	Acting Executive Director: HR 01.11.2024-31.12.2024	2 078	346	-	112	-
	Director: Employee Relations	2 079	1 732	59	-	-

26. Remuneration of Key Management (continued)

Executive Management Team During 2024						
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**
E Msengana-Bam	Executive Director: Communication and Marketing Department 01.09.2024 to 31.12.2024	2 142	714	-	-	-
	Head: Alumni Relations 01.01.2024 to 31.08.2024	1 194	796	-	38	-
Dr L Mtwisha	Executive Director: Research	2 413	2 413	126	-	-
S Archer	Executive Director: Development & Alumni Department	2 413	2 413	126	-	-
Associate Professor L Green-Thompson	Dean: Faculty of Health Sciences	3 380	3 380	-	-	-
U Satgoor	Executive Director: Libraries	2 413	2 413	76	-	-
V Motholo	Chief Financial Officer	2 413	2 413	-	-	-
Dr CSM Duggan	Director: Graduate School of Business	2 775	2 775	-	-	-
P Mgolombane	Executive Director: Department of Student Affairs	2 413	2 413	-	-	-
Associate Professor K Behari-Leak	Dean: Centre for Higher Education Development	2 232	2 232	-	-	-
Professor D Chirwa	Dean: Faculty of Law	2 413	2 413	126	-	-
Professor A Lewis	Dean: Faculty of Engineering & the Built Environment	2 594	2 594	190	-	213
Professor S Goodman	Dean: Commerce	2 594	2 594	135	-	-
Professor H Suleman	Dean: Faculty of Science	2 473	2 473	-	-	-
Professor S Kessi	Dean: Faculty of Humanities	2 594	2 594	190	-	-

26. Remuneration of Key Management (continued)

Other payments
2025

Name	Position held	Purpose/reason for payment	Amount R'000
Associate Professor K Idensohn	Interim Registrar	Retention/scarcity allowance	84
M Parker	Executive Director P&S & Acting Chief Operating Officer	Retention/scarcity allowance	476
R Mhango	Executive Director: HR	Attraction allowance	140
V Motholo	Chief Financial Officer	Retention/scarcity allowance	451
Dr L Mtwisha	Executive Director: Research	Leave encashment upon resignation	339
			1 490

Other payments
2024

Name	Position held	Purpose/reason for payment	Amount R'000
M Parker	Executive Director: Properties & Services	Retention allowance	455
Professor S Goodman	Dean: Commerce	Retention allowance	318
R Pillay	Registrar	Retention allowance	531
V Motholo	Chief Financial Officer	Attraction allowance	451
R Pillay	Registrar	Leave encashment upon resignation	1 067
R Pillay	Registrar	Incentivised early retirement package	4 610
			7 432

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:

	2025 R'000	2024 R'000
Short-term employee benefits	59 876	56 301
Post-employment benefit	10 399	8 359
Termination benefits	339	5 677
Total compensation paid to key management personnel	**70 614**	**70 337**

The post-employment benefit reflected above for key management represents payments made to the University's retirement fund.

27. Student Loans Receivable

	2025 R'000	2024 R'000
Opening balance	50 931	38 191
Loans issued	2 517	12 560
Loans repaid	(2 432)	(370)
Interest charged	441	550
Expected credit loss	(30 312)	-
Closing balance	**21 145**	**50 931**
Non-current	15 989	21 010
Current	5 156	29 921

UCT registered as a National Credit Provider and commenced issuing student loans in 2022. UCT anticipates deregistering as a National Credit Provider during 2026.

Market-related 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. The expected credit loss is 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. The current year is the fourth year since student loans have been issued, and the first year management had enough historical data to make a meaningful assessment regarding the potential expected credit losses relating to the loan book. Management continues to monitor the loans and payment patterns.

As at 31 December, the age analysis of student loans is as follows:

Amounts in R'000	**2025 loans**	**2024 loans**	**2023 loans**	**2022 loans**	**Total**
Net receivable: 31 December 2025	1 825	10 108	6 891	2 321	21 145
Gross student loans	2 517	11 896	18 881	18 163	51 457
Provision for expected losses	(692)	(1 788)	(11 990)	(15 842)	(30 312)
Expected loss rate	27.49%	15.03%	63.50%	87.22%	58.91%

28. Finance Costs

	2025	2024
	R'000	R'000
Interest on loans	5 853	6 827
Interest on lease liabilities	18 209	14 767
Interest on overdraft	49	458
	24 111	**22 052**

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 R635 million (2024: R600 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 Groote Schuur Hospital

A portion of the Groote Schuur Hospital, located in Observatory, Cape Town, has been built on land owned by the University of Cape Town. The initial 99-year lease lapsed during 2025, and management have entered into a 1-year extension until July 2026. Management is currently negotiating with the Western Cape Provincial Public Works Department regarding a further renewal. 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 65 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:

31. Related Parties (continued)

	2025 R'000	2024 R'000
UCT Foundation		
Related Party Balances		
Trade receivables	190 876	60 316
Related Party Transactions		
Grants received	134 064	187 104
Management fee received	6 446	6 175
Endowed funds transferred	(3 063)	(3 622)
University of Cape Town Lung Institute (Pty) Ltd		
Related Party Balances		
Trade receivables	1 798	140
Trade payables	(10 267)	(9 561)
Related Party Transactions		
Services rendered	18 904	18 074
Services received	(16 638)	(17 660)
Sports Science Share Block (Pty) Ltd		
Related Party Balances		
Share block right of use asset	35 232	33 046
Shareblock loan*	(33 117)	(33 117)
Related Party Transactions		
Services received	(9 530)	(9 108)
University of Cape Town Foods Services (Pty) Ltd		
Related Party Balances		
Intercompany loan	50 893	42 389
Trade receivables	4	1
Trade payables	(13 785)	(17 029)
Related Party Transactions		
Interest received	3 565	4 254
Services received	(137 958)	(134 031)
Services rendered	810	5 000

The terms of the intercompany loans are as follows:	Repayment terms	Interest
UCT 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 annual 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.

* *Comparative disclosed but was not disclosed in the 2024 Annual Financial Statements.*

32. Restatement of the Consolidated Statement of Financial Position

The Consolidated Statement of Financial Position was restated to reflect the full leave liability for professional, administrative and support staff as a current liability.

Consolidated Statement of Financial Position (extract)	Reported 2024 R'000	Increase/ Decrease R'000	Restated 2024 R'000
NON-CURRENT LIABILITIES			
Employee benefit liabilities	780 488	(130 138)	650 350
Total non-current liabilities	1 860 138	(130 138)	1 730 000
CURRENT LIABILITIES			
Employee benefit liabilities	196 888	130 138	327 026
Total current liabilities	1 403 408	130 138	1 533 546

This correction did not have an impact on the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Cash Flows nor the Consolidated Statement of Changes in Fund Balances.

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. The University is liable for Value Added Tax (VAT). One of the University's subsidiaries, the Sports Science Share Block (Pty) Ltd, is liable for normal income tax. The remaining subsidiaries are exempt from income tax.

35. Events After the Reporting Date

Following the Iran conflict which commenced in February 2026, oil and gas supply from the Middle East is impacted. Commodity markets showed high volatility creating uncertainty with regards to prices for oil and gas. As at the date of these Consolidated Financial Statements, the conflict has not resulted in a material impact on UCT's financial position and performance.

Subsequent to the reporting date, the University entered into an agreement in terms of which it disposed of a 51% equity interest in UCT Foods Services (Pty) Ltd (“Food & Connect”) to a third party, retaining a 49% shareholding. Control over Food & Connect transferred to the purchaser upon conclusion of the agreement on 5 June 2026, with Food & Connect ceasing to be a subsidiary at that date. As at 31 December 2025, Food & Connect had an outstanding loan payable to the University of R51 million. In terms of the sale agreement, the loan balance was renegotiated and reduced to R24 million in accordance with the agreed transaction terms.

36. 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.