

**RHODES UNIVERSITY**

**ANNUAL REPORTS  
AND  
CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 December 2014**

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## **RHODES UNIVERSITY**

### **DETAILS OF OFFICERS AND MEMBERS OF COUNCIL as at 31 December 2014**

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#### **Officers of the University**

Chancellor: Judge Lex Mpati

Principal and Vice-Chancellor: Dr Dr Sizwe Mabizela

Acting Deputy Vice-Chancellor – Academic and Student Affairs: Professor C Boughey

Deputy Vice-Chancellor – Research and Development: Dr Peter Clayton

Chairperson of Council: Mr Vuyo Dominic Kahla

Registrar: Dr Stephen Fourie

#### **Council**

The Vice-Chancellor – Dr S Mabizela (1,2,3)

The Acting Deputy Vice-Chancellor – Academic and Student Affairs: Professor C Boughey (1)

The Deputy Vice-Chancellor – Research and Development: Dr P Clayton (1)

#### ***Appointed by the Minister of Education***

Ms F Loliwe

Professor R Maharajh

Mr MK Rune

Ms T Lewin

Dr S Mosoetsa

#### ***Elected by Senate***

Professor R Boswell

Professor DA Sewry (1)

Professor RB Walker

Professor GC Wells

#### ***Elected by the academic staff***

Ms JD Sewry

#### ***Elected by the administrative/support staff***

Ms G Armstrong

Mr P Ngxitho

#### ***Appointed by the Makana Municipality***

Clr N Gaga

Vacant

#### ***Elected by the Board of Governors***

Dr BS Rayner (1,2,3)

#### ***Appointed by Council***

The Hon Mr Justice RJW Jones

Mr VD Kahla (Chairperson) (1,3)

Ms M Schoeman

Mr C Staple (1, 2)

Dr N Stubbs

Mr NE Woollgar (1,3)

**RHODES UNIVERSITY**

**DETAILS OF OFFICERS AND MEMBERS OF COUNCIL  
as at 31 December 2014 (continued)**

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***Co-opted Members***

Ms N Pityana

Mr E Motala (3)

Mr AB Steele-Gray (2)

Mr TS Tagg (1,2)

***Appointed by the Students' Representative Council***

Mr B Bense

Ms C Ryan

***Secretary (in attendance)***

Dr S Fourie

1 Member of the Finance and General Purposes Committee

2 Member of the Audit Committee

3 Member of the Remuneration Committee

## RHODES UNIVERSITY

### REPORT OF CHAIR OF COUNCIL FOR THE YEAR ENDED 31 December 2014

This report addresses matters of governance, and it records the developments and achievements which constitute progress by the University towards the attainment of the goals articulated in its Annual Performance Plan. Council is confident that the University is well managed, that it offers its students a high quality educational experience and that it contributes to the country's research output in a way which is positively disproportionate to its position as the smallest of all South African higher education institutions.

#### The Council

The Council met five times during the course of 2014.

The composition of the Council at the end of 2014 is recorded above. One of the five Ministerial appointments is still vacant as the person appointed has failed to take up the appointment. Attendance at Council meetings was generally good; the overall attendance of 77% was up from 71% in the previous year.

#### Summary of attendance:

MEMBERS	NO OF MEETINGS ELIGIBLE TO ATTEND	NO OF MEETINGS ATTENDED
Dr S Badat <i>Vice-Chancellor</i>	3	3
Dr S Mabizela <i>Vice-Chancellor (1 Nov 2014)</i> <i>DVC (Academic &amp; Student Affairs)(prior 1 Nov)</i>	5	5
Dr P Clayton <i>DVC (Research &amp; Development)</i>	5	5
Professor C Boughey <i>(Acting DVC: A&amp;SA)</i>	2	2
Ms F Loliwe <i>Minister of Education rep</i>	5	1
Dr R Maharajh <i>Minister of Education rep</i>	Sabbatical (Approved)	Sabbatical (Approved)
Mr M Rune <i>Minister of Education rep</i>	5	2
Ms T Lewin <i>Minister of Education rep</i>	2	2
Dr S Mosoetsa <i>Minister of Education rep</i>	2	1
Professor RTF Bernard <i>Senate rep</i>	3	3
Professor G Wells <i>Senate rep</i>	1	1
Professor R Boswell <i>Senate rep</i>	3	3
Professor D Sewry <i>Senate rep</i>	5	5
Professor RB Walker <i>Senate rep</i>	5	5
Ms J Sewry <i>Academic staff rep</i>	5	4
Mr P Ngxitho <i>Admin staff rep (1 - 5)</i>	2	1
Mr A Vena <i>Admin staff rep (1 - 5)</i>	2	2
Ms G Armstrong <i>Admin staff rep (6 - 15)</i>	5	5
Clr N Gaga <i>Makana Municipality rep</i>	5	1
<i>t.b.a. Makana Municipality rep</i>	-	-
Dr B Rayner <i>Board of Governors rep</i>	5	5
Mr B Bense <i>SRC President</i>	5	4
Ms C Ryan <i>PGLSC Chairperson</i>	5	5

## RHODES UNIVERSITY

### REPORT OF CHAIR OF COUNCIL FOR THE YEAR ENDED 31 December 2014 (CONTINUED)

MEMBERS	NO OF MEETINGS ELIGIBLE TO ATTEND	NO OF MEETINGS ATTENDED
Mr V Kahla <i>Appointed by Council</i> <b>CHAIR</b>	5	5
Judge J Jones <i>Appointed by Council</i>	5	5
Mr C Staple <i>Appointed by Council</i>	5	4
Ms M Schoeman <i>Appointed by Council</i>	5	4
Dr N Stubbs <i>Appointed by Council</i>	5	4
Mr N Woollgar <i>Appointed by Council</i>	5	5
Ms N Pityana <i>Co-opted by Council</i>	5	5
Mr B Steele-Gray <i>Co-opted by Council</i>	5	4
Mr T Tagg <i>Co-opted by Council</i>	5	4
Mr E Motala <i>Co-opted by Council</i>	5	5

#### Council sub-committees

The Council sub-committees are mandated to attend to issues of strategic or financial significance. The Executive Committee, the Finance and General Purposes Committee, the Remuneration Committee and the Audit Committee are all chaired by external members of Council with appropriate skills and experience. There were no matters on the agendas of these committees that were not resolved at the year end.

The Executive Committee seldom meets unless mandated to act on behalf of Council. In these instances all members of the committee are consulted. Attendance at the Finance and General Purposes Committee, the largest of the sub-committees, is excellent (overall 95% up from 77% in 2011) as is attendance at the Audit and Remuneration committees. The roles played by these committees are dealt with in greater detail by the Council's Report on Governance.

#### Assessment of performance towards achieving Annual Performance Plan targets

Institutional Performance in Relation to Certain Predetermined Objectives – 2014		
Goals and objectives	Performance Measure/s	Outcome/Impact
<b>2014 Enrolment Targets</b>		
Total 7861 enrolment of students	HEMIS figures – submission 2	Total enrolment was 7512 - 349 students or 4.4 % below target
Enrolment of 5606 undergraduate students	HEMIS figures – submission 2	There were 5203 undergraduate students - 403 students or 7.2 % below target
Enrolment of 2255 postgraduate students	HEMIS figures – submission 2	There were 2309 postgraduate students – 54 students or 2.4 % above target
Enrolment of 1570 first-time entering students (including transfer students)	HEMIS figures – submission 2	There were 1664 first-time entering students – 94 students or 6 % above target
Enrolment of 4638 (59%) women students	HEMIS figures – submission 2	There were 4471 women students – 167 students or 3.6 % below target
Enrolment of 4795 (61%) black students	HEMIS figures – submission 2	There were 4830 black students – 35 students or 0.7 % above target

RHODES UNIVERSITY

REPORT OF CHAIR OF COUNCIL  
FOR THE YEAR ENDED 31 December 2014 (CONTINUED)

Goals and objectives	Performance Measure/s	Outcome/Impact
<b>2014 Enrolment Targets</b>		
Enrolment of no more than <b>20%</b> international students	HEMIS figures – submission 2	There were 1478 (19.7%) international students – on target; 826 undergraduate (55.9%) and 652 postgraduate (44.1%)
Enrolment of <b>2046 (26%)</b> students in Science, Engineering and Technology	HEMIS figures – submission 2	There were 2299 (30.6%) students
Enrolment of <b>3152(40%)</b> students in Humanities	HEMIS figures – submission 2	There were 2955 (39.3%) students
Enrolment of <b>1767 (22%)</b> students in Business/Management	HEMIS figures – submission 2	There were 1485 (19.8%) students
Enrolment of <b>896 (11%)</b> students in Education	HEMIS figures – submission 2	There were 773 (10.3%) students in education
Increase the numbers and proportion of postgraduate students to <b>2255 (29%)</b> in 2014	HEMIS figures – submission 2	The increase in 2014 was to 2309 students (30.7%)
Reduce the proportion of undergraduate students from <b>73%</b> in 2010 to <b>71%</b> in 2014	HEMIS figures – submission 2	The decrease in 2014 was to 69.3% (5203 students)
<b>Teaching and Learning Goals for 2014</b>		
Pursue the appropriate balance between face-to-face teaching-learning and other forms of teaching-learning that harness the potential of new information and communication technologies	Actual practice/s	Academic staff at Rhodes University continues to explore the use of ICTs in teaching and learning following a highly successful pilot project conducted some years ago in one Faculty. The Teaching and Learning Committee is currently producing a set of principles to inform the use of ICTs in teaching and learning.
Ensure that all new academic staff members complete an assessor's course	Actual practice/s	Academic staff members appointed to positions at Rhodes University need to complete a three year probationary period before their appointments are confirmed. Confirmation is dependent on new members of staff demonstrating performance against a set of criteria in various areas. Some of these criteria are related to teaching and learning. Support in meeting these criteria is available from CHERTL in the form of a short credit bearing course termed CATALst. The demonstration of performance is achieved by means of a teaching portfolio. Portfolios are assessed by peers in the faculty. Each portfolio is assessed by two peers.
Establish an appropriate model for extended studies programmes for students that do not meet our normal admission requirements but display talent and potential.	Actual practice/s	Extended programmes continue to be subject to ongoing review and evaluation.

**RHODES UNIVERSITY**

**REPORT OF CHAIR OF COUNCIL  
FOR THE YEAR ENDED 31 December 2014 (CONTINUED)**

<b>Goals and objectives</b>	<b>Performance Measure/s</b>	<b>Outcome/Impact</b>
<b>Teaching and Learning Goals for 2014</b>		
Ensure that student tutors and lab demonstrators are trained and supported	Actual practice/s	Tutors and demonstrators are trained in departments with support from CHERTL. In 2014, a research project funded by the Teaching Development Grant explored best practice in tutorial provision. This will allow us to produce a survey to check the extent to which these practices are prevalent across the University.
Ensure that there is an adequate library with appropriate holdings to support effective teaching and learning	Actual situation	Library holdings are managed by a Library Committee. The 'new' University Library offers state of the art facilities and holdings to students and staff.
Ensure that there is an advanced information and communication technology infrastructure and systems to effectively support teaching and learning	Actual practice/s	This is in place, especially since Rhodes became part of the SANREN backbone
Ensure quality assurance of learning and teaching	Actual practice/s	In 2014, a process of policy review was instantiated. It is expected that this will be completed by the end of 2015.
<b>Graduations</b>		
Graduate <b>1 304</b> undergraduate students - <b>1 279</b> undergraduate degrees and <b>25</b> undergraduate diplomas - in 2014	HEMIS figures – submission 2	There were 1241 graduates - 1241 undergraduate degrees and 0 undergraduate diplomas
Graduate <b>856</b> Honours and postgraduate diploma students in 2014	HEMIS figures – submission 2	There were 697 graduates - 476 Honours, 221 Postgraduate Diplomas
Graduate <b>224</b> Masters students in 2014	HEMIS figures – submission 2	There were 300 Masters graduates
Graduate <b>57</b> doctoral students in 2014	HEMIS figures – submission 2	There were 82 doctoral graduates
Graduate <b>552</b> students in science, engineering and technology 2014	HEMIS figures – submission 2	There were 648 graduates
Graduate <b>495</b> students in business/management in 2014	HEMIS figures – submission 2	There were 461 graduates
Graduate <b>946</b> students in humanities in 2014	HEMIS figures – submission 2	There were 844 graduates (Economics was counted under Humanities previously)
Graduate <b>448</b> students in education in 2014	HEMIS figures – submission 2	There were 367 graduates
Graduate <b>31%</b> of students as total % of enrolments in 2014	HEMIS figures – submission 2	There were 2320 (30.9%) graduates
Graduate <b>23%</b> of undergraduates as total % of enrolments in 2014	HEMIS figures – submission 2	There were 1241 out of 5203 (23.9%) graduates
Graduate <b>90%</b> of Honours and postgraduate diploma students as total % of enrolments in 2014	HEMIS figures – submission 2	There were 697 out of 853 (81.7%) graduates



**RHODES UNIVERSITY**

**REPORT OF CHAIR OF COUNCIL  
FOR THE YEAR ENDED 31 December 2014 (CONTINUED)**

<b>Goals and objectives</b>	<b>Performance Measure/s</b>	<b>Outcome/Impact</b>
<b>Graduations</b>		
Graduate <b>26%</b> of Masters students as % of total enrolments in 2014	HEMIS figures – submission 2	There were 300 out of 943 (31.8%) graduates
Graduate <b>13%</b> of doctoral students as total % of enrolments in 2014	HEMIS figures – submission 2	There were 82 out of 513 (16%) graduates
<b>Research</b>		
Generate <b>365</b> publication units in 2014 Audit for the 2013 research outputs	Actual results - HEMIS figures	The 2013 audited results for Journal Publications were 405.49 (up from 350.60 in 2012); Book outputs were 20.17 (down 43% from 2012 which was 35.46) and conference proceedings were 28.69 (up from 23.87 in 2012). Therefore overall publication research outputs in 2013 (in the 2014 audited figures) were <b>454.35</b> . This was 3.2% of the sector's outputs and an annual increase of 10.2%
Have a ratio of publication units to permanent academic staff of <b>107%</b> in 2014	Actual results - HEMIS figures	In the 2014 audit, the figures of the 2013 publication units increased from the previous year. The ratio of Publication Units to permanent staff was 129% (351 permanent academic staff) up from 122% in 2012 and 112% in 2011;
Have a trajectory of increasing publication units	Actual results - HEMIS figures	A clear upward trajectory can be seen in the increasing publication units year-on-year for 2006 to 2013, with slight decreases in 2007 and 2010: 2006: 292.12; 2007: 274.38; 2008: 330.02; 2009: 350.99; 2010: 325.20; 2011: 358.51; 2012: 409.93. In 2013 the publication units were to 454.35.
Have a trajectory of increasing ratio of publication units to permanent academic staff	Actual results - HEMIS figures	In 2013 this grew to 129% from 122% in 2012. Previous year's figures were 2010: 103%; 2011: 112%.
Establish postgraduate and research focus areas, especially in the Humanities, Commerce and Law	Actual results	This occurred in 2011 in the Humanities through AW Mellon funding was extended to Commerce in 2012 through Council funding, and across the University using Sandisa Imbewu funding and continues to be supported. In 2014 five more Sandisa Imbewu grants were awarded.
Apply for and increase the number of SARCHI chairs	Actual practice and results	In 2014 Rhodes was awarded one new Chair. One chair cycle reached its end of term, therefore the total number of Chairs remains at 10
Develop strategies for increasing the available funds for new postgraduate academic programmes	Actual practice and results	A fund for new postgraduate academic programmes is a priority fund raising category for the Development Division. In 2014 the Levenstein bursary was established.
Increase the available funds for new postgraduate academic programmes	Actual results	This has occurred though AW Mellon funding, Sandisa Imbewu funding, the Vice-Chancellor's Discretionary Fund and other donor funding. This is an ongoing need.

**RHODES UNIVERSITY**

**REPORT OF CHAIR OF COUNCIL  
FOR THE YEAR ENDED 31 December 2014 (CONTINUED)**

<b>Goals and objectives</b>	<b>Performance Measure/s</b>	<b>Outcome/Impact</b>
<b>Research</b>		
Develop strategies for increasing the available funds for research support to academic staff and new and emerging researchers	Actual practice and results	This has happened through the mobilisation of donor funding, the creation of Sandisa Imbewu and increased allocations to the Research Office. NRF Sabbatical grants for Doctoral degrees awarded in 2013 & 2014. NRF Career Advancement fellowship awarded in 2014; DHET Research Development grant - 2014 was the first time Rhodes qualified.
Increase the available funds for research support to academic staff and new and emerging researchers	Actual results	This has occurred through AW Mellon funding, Sandiswa Imbewu funding, the Vice-Chancellor's Discretionary Fund, the Deputy Vice-Chancellor: Research and Development's Discretionary Fund and an increased allocation to the Research Office.
Develop strategies for increasing the available funds for postgraduate students	Actual practice and results	It has been agreed to cap undergraduate financial aid so as to release funds for postgraduate aid and to focus especially on postgraduate aid in the mobilisation of donor funding.
Increase the available funds for financial aid for postgraduate students	Actual results	Figures from the 2014 audit show that in 2013 R44.63 million was provided in postgraduate financial aid: R13.7m from University Council funds; R6.5m from University-administered donor funds and R24.3m from funds raised from external donors. This was an improvement from R 24.6 million in 2008, R 32.5 million in 2011 & R 35.77 million in 2012.
Recruit outstanding retired scholars to mentor new/next generation academics and enhance research and publishing	Actual practice and results	This is occurring, facilitated through a Mellon Foundation grant and Council allocations to the Research Office.
There is an adequate library with appropriate holdings to effectively support scholarship and research	Actual situation	There is a new library with a special Research Commons funded by Carnegie Corporation for senior postgraduates and academics and also a Postgraduate Commons. Librarians have been sent to the USA and have received special training through Carnegie Corporation funded programme. There are good holdings, though the adverse exchange rates against major international currencies places pressure on the extent of new purchases.
There is an advanced information and communication technology infrastructure and systems to effectively support scholarship and research	Actual situation	This is in place, especially since Rhodes became part of the SANREN backbone. Attention is being given to possible new measures to support postgraduates.

**RHODES UNIVERSITY**

**REPORT OF CHAIR OF COUNCIL  
FOR THE YEAR ENDED 31 December 2014 (CONTINUED)**

<b>Goals and objectives</b>	<b>Performance Measure/s</b>	<b>Outcome/Impact</b>
<b>Research</b>		
Ensure quality assurance of research	Actual practice	This occurs through peer-review of journal articles, book chapters and books and encouragement to academics to ensure that as far as possible, published materials are peer-reviewed and a stringent process of external examination of thesis-based degrees.
<b>Community Engagement</b>		
Pursue high quality community engagement and service learning that is characterised by critical and mutually respectful and beneficial interaction.	Actual practice and results	MOU's signed with 34 Community Partner Organisation. Strategic Planning with all partners undertaken to highlight their goals, RU student groups and Academic departments then respond to these priorities. Training courses run for students and staff before entering CE programmes.
Facilitate and support the engagement on the part of the different sections of the university community with the social ills, problems, and challenges of our society, towns and cities through community outreach, student and staff volunteerism and service learning	Actual practice and results	Student Volunteer programme has 350 trained volunteers serving in broader community weekly. CE Societies address various problems e.g. literacy, water harvesting and food security. "RU Trading Live for Madiba" programme involves the whole RU community, town and township through initiatives run over 5 days in July. Two HUBS established in Joza, one for education, the other Economic development. Rhodes working alongside officials in Makana Municipality to restore service delivery.
Progressively institutionalise service-learning as a curricular innovation that builds on the core knowledge dissemination and production purposes of the university and is infused in the teaching and learning and research activities of the university and staff and students	Actual practice and results	There are 82 engaged learning programmes running in the 6 Faculties, 18 engaged research and 15 Service Learning. Two academics appointed into the CE department to boost service learning and engaged research. Publication on best practice engaged research produced. CE Round Table run in 2014 and a CE Symposium to be run in May 2015. WE offer seed funding as an incentive for SL.
Ensure quality assurance of community engagement	Actual practice	This occurs through the Community Engagement Office. Quality assurance protocols have been established. Training is offered and M&E is undertaken. Joint evaluation with Community partner organizations is done in June and November each year.

**RHODES UNIVERSITY**

**REPORT OF CHAIR OF COUNCIL  
FOR THE YEAR ENDED 31 December 2014 (CONTINUED)**

<b>Goals and objectives</b>	<b>Performance Measure/s</b>	<b>Outcome/Impact</b>
<b>Staff: 2014</b>		
Employ 340 permanent academic staff in 2014	HEMIS Staff - Submission 1	There were 354 staff.
		25% were Black (no movement from 2013) and 43% were female (an increase of 1%).
Employ 125 senior and middle-management support staff in 2014	HEMIS Staff - Submission 1	There were 122 staff: 22 senior management and 100 middle management. 27% of senior management were Black and 59% female. 45% of middle management were black and 58% female.
		Overall, 42% were black (increase of 1%) and 58% were women (an increase of 2%).
Employ 884 'non-professional' staff in 2014	HEMIS Staff - Submission 1	There were 875 staff.
Employ a total of 1349 permanent staff in 2014	HEMIS Staff - Submission 1	There were 1351 staff.
Have 178 permanent academic staff (52%) with doctoral degrees in 2014	HEMIS Staff - Submission 1	There were 194 (55%) staff.
Have 109 permanent academic staff (32%) with Masters degrees in 2014	HEMIS Staff - Submission 1	There were 112 (32%) staff.
Have 53 permanent academic staff (16%) with other degrees in 2014	HEMIS Staff - Submission 1	There were 31 (9%) staff.
Increase permanent academic staff with doctoral qualifications from 169 to 178 and from 50% to 52%	HEMIS Staff - Submission 1	Achieved 55% in 2014.
Increase permanent academic staff with Masters qualifications from 101 to 109 and 30% to 32%	HEMIS Staff - Submission 1	Achieved 32% in 2014.
Achieve a FTE student to FTE academic staff ratio of 14.0 in 2014	HEMIS Staff - Submission 1	The ratio was 13.59.
Ensure that the FTE student to FTE academic staff ratio is maintained at 14.0 and seek to decrease the ratio	HEMIS Staff - Submission 1	The ratio was maintained.
Increase the numbers of suitably qualified black and women academics	Actual situation	There was no movement in Black academics since 2013 and an increase of 1% in female academics.
Increase the numbers of suitably qualified black and women senior and middle-management support staff	Actual practice/s	There was an increase of 1% in Black staff since 2013 and an increase of 2% in female staff.

RHODES UNIVERSITY

REPORT OF CHAIR OF COUNCIL  
FOR THE YEAR ENDED 31 December 2014 (CONTINUED)

Goals and objectives	Performance Measure/s	Outcome/Impact
<b>Staff: 2014</b>		
Develop effective strategies for building the next generation of academics, and especially black and women academics	Actual practice/s	As of 2012 Rhodes has been able to fund development contracts to develop the next generation of academics. These development programs are aimed at ensuring that academics gain experience (half a post) whilst completing their PhDs and a scholarship granted to assist in terms of funding. Funding has come from Kresge, Mellon, NRF, The Lewis Foundation and RU's Accelerated Development Programme. Additional funding comes from senior posts which are split up where feasible to create opportunities for young Black and female academics with potential. Bridging funding is utilised to employ Black and female staff where we are waiting for gaps due to retirement, and for development posts in growth areas. This cultivates talented potential academics for posts that will become available on the retirement of academics. In some cases, supernumerary posts are created by the University. At the end of 2012 there were 27 contracts of this nature. In 2013 nine contracts were concluded, 8 successful and one termination. Eight of the contracts concluded were Black academics and 6 were female. In 2014, one contract was concluded and the cost of this contract was covered by Rhodes after Kresge funds were depleted. The contract was for a Black, female academic. In 2015 a total of 8 contracts will come to an end, 5 Kresge (all being funded by Rhodes from 2014), 2 x Mellon funded posts and one Lewis Foundation funded post. The 8 contracts are Black academics and 3 are female. There are currently 5 contracts in place that will conclude in 2016, 3 in 2017 and 1 in 2018. Of these, 8 are Black academics and 7 are female. Efforts are also made to attract Black and female post-graduates into academia. As of 2015 the DHET programme called nGap which is aimed at building the next generation of Black and female academics and will be funded in part by the DHET.
Increase the numbers of black and women academics through institutional programmes for next generation academics	Actual practice/s	Of the 9 contracts that have been concluded since the end of 2012 all but one person (this person terminated their contract) has been offered a permanent position as an academic at Rhodes.

**RHODES UNIVERSITY**

**REPORT OF CHAIR OF COUNCIL  
FOR THE YEAR ENDED 31 December 2014 (CONTINUED)**

<b>Goals and objectives</b>	<b>Performance Measure/s</b>	<b>Outcome/Impact</b>
<b>Infrastructure</b>		
There is an advanced information and communication technology infrastructure and systems to effectively support scholarship and research	Actual situation	This is in place, especially since Rhodes became part of the SANREN backbone. Attention is being given to possible new measures to support postgraduates.
Agreement by the University Council to mobilise matching funding of some R30 million to secure some R170 million in DHET Infrastructure and Efficiency funding	Actual result	As indicated, this has been done as reflected in the Council minutes.
A comprehensive ten year Infrastructure Development Plan is formulated and adopted by Council and submitted to DHET by 31 January 2014	Actual result	A firm of urban planners and campus designers was appointed during 2014 to develop a university campus spatial development framework. A draft was presented to the University's steering committee in December 2014, and feedback is being obtained. The draft has been submitted to the DHET. The reworked draft will be submitted to the various University structures for comment prior to being submitted to Council for final approval.
A comprehensive Infrastructure Maintenance Plan is formulated and adopted by Council and submitted to DHET by 31 January 2014	Actual result	The CSIR was appointed in October 2013 to perform a comprehensive campus infrastructure condition assessment and provide a campus infrastructure maintenance plan. The CSIR under-estimated the magnitude of the work resulting in the task only being completed in September 2014. The plan is being audited by the University, but has been submitted to DHET.
A new Education Faculty building is constructed and completed, within budget, in 2013	Actual result	The Education Faculty building was completed and ready for occupation in the latter half of 2013. Financial completion of the project is imminent, but the project has been completed well within budget.
A new Life Sciences building is constructed and completed, within budget, by 2015	Actual result	The Life Sciences building project is well underway. There have been numerous rain delays - it is anticipated that the project will be completed on 18 September 2015. The project is currently within budget.
A new School of Languages building is constructed and completed, within budget, by 2015	Actual result	The commencement of the project was severely hampered by the delay in being granted municipal approval caused by obstructionist behavior in the Town Planning Office. The approvals have been granted, and construction commenced in January 2015. The anticipated completion date is 2 December 2015.

**RHODES UNIVERSITY**

**REPORT OF CHAIR OF COUNCIL  
FOR THE YEAR ENDED 31 December 2014 (CONTINUED)**

<b>Goals and objectives</b>	<b>Performance Measure/s</b>	<b>Outcome/Impact</b>
<b>Infrastructure</b>		
A new undergraduate residence is constructed and completed, within budget, by early 2014	Actual result	The residence was completed and ready for occupation in January 2014. Financial completion is imminent, but the project was completed well within budget.
<b>Finance</b>		
There is a balanced budget that is produced through an open and participatory process and adopted by Council	Actual result and practice/s	As reflected in the minutes of Council for 2014, a balanced budget for 2014 was established and approved.
There is a zero deficit, and preferably a modest surplus to support future infrastructure development or strategic priorities, at the end of the financial year	Actual result	This was the case in 2014.
There is effective oversight by the University management of all income and expenditure in relation to the approved budget	Actual practice/s	The Budget Executive Committee minutes reflect the level of executive management oversight of the finances of the University. These minutes are tabled at the F&GP and Council meetings of the University.
The University's HR budget will not exceed 68.5% and will ideally be not greater than 67%	Actual result	The preliminary statements mentioned above indicate that the staff cost: total income ratio in 2014 was 66.7%.
There is effective management of all income and expenditure by the University management	Actual practice/s	The Budget Executive Committee minutes reflect the level of executive management oversight of the finances of the University. These minutes are tabled at the F&GP and Council meetings of the University.
Annual audited statements of the University are produced timeously and that there is an unqualified audit	Actual practice/s and result	This has been the case every year and will be the case in 2014.
The University's endowment funds and reserve funds are effectively governed and managed	Actual practice/s and result	The minutes of the Investment Committee of the Board of Governors reflect the level of management and oversight of the reserve funds of the University.
There are robust and continuous efforts to raise and increase the University's third stream income in support of key academic and social objectives	Actual practice/s and result	The Development and Alumni Relations and the Marketing & Communications Divisions of the University are currently being reviewed with a view to optimising and streamlining the various areas of responsibility, including that of fundraising and income generation.

**RHODES UNIVERSITY**

**REPORT OF CHAIR OF COUNCIL  
FOR THE YEAR ENDED 31 December 2014 (CONTINUED)**

<b>Goals and objectives</b>	<b>Performance Measure/s</b>	<b>Outcome/Impact</b>
<b>Finance</b>		
All cases of fraud and corruption are reported to the University Council's Audit Committee and that action is taken against the relevant parties in accordance with established policies and procedures	Actual practice/s and result	All such cases have been reported to the Audit Committee of Council. Action has been taken against offenders, including the laying of criminal charges with the SAPS.
<b>Governance and Management</b>		
There are regular meetings (at least four per year) of the University Council and its sub-committees (Finance and General Purposes, Audit and Remuneration) and that there are effective and efficient processes of policy and decision-making	Notices and minutes of meetings	There were regular meetings of Council and its sub-committees and decisions were taken relatively effectively and efficiently.
There are regular meetings of the University Senate and Faculty Boards (at least four per year) and that there are effective and efficient processes of policy and decision-making	Notices and minutes of meetings	There were regular meetings of Senate and Faculty Boards and their committees and decisions were taken relatively effectively and efficiently.
There are regular meetings of all other University committees and sub-committees and that there are effective and efficient processes of policy and decision-making	Notices and minutes of meetings	There were regular meetings of all other University committees and their committees and decisions were taken relatively effectively and efficiently.
There are biannual meetings of the Board of Governors and regular meetings of its sub-committees	Notices and minutes of meetings	There are biannual meetings of the Board of Governors and regular meetings of its sub-committees.
An annual report is submitted to the Department of Higher Education and Training, as provided for by law	Tabling of report and approval by Council and confirmation of receipt by DHET	This report as part of the overall Annual Report is evidence.
All relevant reports are timeously submitted to the Department of Higher Education and Training and Department of Labour and other government departments	Tabling of report and approval by Council and confirmation of receipt by DHET, DL and others	This was done during 2014 and reports can be provided as evidence.



**RHODES UNIVERSITY**

**REPORT OF CHAIR OF COUNCIL  
FOR THE YEAR ENDED 31 December 2014 (CONTINUED)**

<b>Goals and objectives</b>	<b>Performance Measure/s</b>	<b>Outcome/Impact</b>
<b>Transformation</b>		
There is an institutional transformation plan adopted by the Institutional Forum, Senate and Council	Existence of plan and adoption by relevant bodies	A plan developed by the Director of Equity and Institutional Culture has been submitted for approval by the Equity and Institutional Culture Committee in the last stages of consultation before it is submitted to HESA.
There is an Equity Policy and Action Plan	Existence of plan and adoption by relevant bodies	The Equity Policy is in the process of being reviewed. This process entails consultation with all stakeholders of the institution.
There is a dedicated Office and staff to advance transformation policies, goals and outcomes	Actual situation	There is a Director of Equity and Institutional Culture, who reports to the Vice-Chancellor, and is supported by Project Officer and a budget. An additional 50% post for the unit has been approved.
Give attention to equity of access, opportunity and outcomes in all arenas	Actual practice/s	The curriculum and teaching and learning policies are some of the key documents that are designed to increase equity of outcome. The academic promotions criteria developed in 2014 also include a demonstrable commitment to transformation as one of the criteria. Whilst outcomes of learning are not as yet equitable, there is concerted work by the RU Centre for Higher Education Research and Learning directed at developing academic staff and at promoting the transformation of the curriculum with equity of student outcomes being one of the main objectives.
Advance student equity in recruitment and enrolments	Actual practice/s and result	The Admissions policy that guides the recruitment of students states RU's commitment to enabling the access of students from historically disadvantaged social groups and especially those from rural poor and working class backgrounds and students from Grahamstown and the province. Black student enrolments have shown a steady increase and this increase have largely been enabled by NSFAS and RU bursary schemes.

**RHODES UNIVERSITY**

**REPORT OF CHAIR OF COUNCIL  
FOR THE YEAR ENDED 31 December 2014 (CONTINUED)**

Goals and objectives	Performance Measure/s	Outcome/Impact
<b>Transformation</b>		
There is an institutional culture that respects and promotes human dignity and human rights, embraces difference and diversity and is comfortable for blacks and women, and people irrespective of language, culture, nationality, sexual orientation and religion	Actual practice/s	The culture of the institution is still experienced as alienating and excluding by some members of the university. RU has a large staff component at unskilled and semi-skilled occupational levels. This is because of the university's commitment to contribute to the town's (Grahamstown) economic and social well-being. A staff survey carried out in 2014, indicates that it is employees at these occupational levels to whom strategies designed to increase the levels of inclusion of all university members should largely, but not exclusively, be directed.
There are effective strategies for recruiting black and women academics	Actual practice/s and result	There is an Employment Equity Plan that is being implemented. New recruitment strategies have been designed to give effect to the plan. Other work undertaken is the development of selection processes that are expected to minimize process and "people" barriers to the practice of fair recruitment and selection. Significant change in the result of the processes still remains to be seen.
The number of suitably qualified black and women academics is increased	Actual result	Between 2013 and 2014 there has been no percentage increase in the number of black female and male in the professionally qualified occupational level. There has been however, a 1% increase in the number of female staff in this occupational category.
There are effective strategies for recruiting and increasing the numbers of suitably qualified black and women senior and middle-management support staff	Actual practice/s and result	Attention is being given to recruitment strategies, selection criteria and other measures to improve the equity profile. The success of new recruitment strategies still has to be assessed.
The number of suitably qualified black and women senior and middle- management support staff is increased	Actual result	Between <b>2013 and 2014</b> there have been no percentage increase in the number of black males and a 1.6 percentage increase in the number of black females out of all females in the senior management category. There has been a 1% increase in the number of female staff in this occupational category.

RHODES UNIVERSITY

REPORT OF CHAIR OF COUNCIL  
FOR THE YEAR ENDED 31 December 2014 (CONTINUED)

Goals and objectives	Performance Measure/s	Outcome/Impact
<b>Transformation</b>		
The number of black and women academics is increased through institutional programmes for next generation academics.	Actual result	Two academics completed the Accelerated Development Programme and were offered permanent posts from 2013, in Information Systems and History (both linked to the retirements of academics).  (By the end of 2013, a further 3 staff in the areas of Computer Science, English and Organisational Psychology will have completed the programme and will be screened for permanent posts, all against academic retirement posts. Two further staff, in Politics and in Mathematics, will complete the Accelerated Development programme at the end of 2013 and revert back to their full-time academic posts). At the end of 2014 a member of staff from Biotechnology innovation center was successfully screen into a permanent post. Another staff member completes the Accelerated Development Programme March 2015; the screening for her permanent post in the Sociology department was successfully conducted end of 2014.
The number of black and women academics on the University Senate is increased	Actual practice/s and result	This has occurred. In 2010 there were 20 black (17%) and 33 women (28%) senators; in 2012 there were 22 black (19%) and 34 women (30%) senators. <b>In 2014 there were 20 Black (17%) and 7 Black women (6%) senators and 40 women (35%) senators in total.</b>
The number of black and women members on the University Council is increased	Actual practice/s and result	In 2010 there were 15 black (50%) and 8 women (27%) Council members; in 2012 there were 14 black (47%) and 9 women (30%) Council members. In 2014 there were 13 Black (35%) and 11 women (30%) council members of whom 6 (16%) were Black women.
The number of black and women members on the University Board of Governors is increased	Actual practice/s and result	The situation has remained the same between 2010 and 2012: 11 black (44%) governors (44%) and 5 women (20%) governors. <b>In 2014 there were 11 Black (55%) and 5 female (25%) members of the board of governors of whom 3 (15%) were Black.</b>

## **RHODES UNIVERSITY**

### **REPORT OF CHAIR OF COUNCIL FOR THE YEAR ENDED 31 December 2014 (CONTINUED)**

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#### **Matters of significance considered by the Council**

- Elected Mr Vuyo Kahla as Chairperson of Council for the two-year period March 2014 to March 2016.
- Noted the resignation of the Vice-Chancellor, Dr Saleem Badat, and set in place, in consultation with the Institutional Forum, procedures for the election of a successor.
- Appointed Dr Sizwe Mabizela as the new Vice-chancellor.
- Continued to give priority attention to financial matters at each meeting.
- Spent considerable time at each meeting discussing the water situation in Grahamstown. Council noted that if the matter was not resolved the University would face considerable difficulty even, in a worst case scenario, closure. Council paid credit to the President's Office and in particular to the Presidential Infrastructure Co-ordinating Committee for their interventions which led to the situation being substantially improved by the end of the year.
- The inadequate NSFAS funding and the scheme's failure to recover Rhodes monies was a matter of great concern to the Council.
- Appointed Ms Paulette Noluxolo Nhlapo to the post of Director: Equity and Institutional Culture.
- Appointed Mr Johan David (Dawie) van Dyk to the post of Deputy Director: Facilities Servicing in the Division of Infrastructure and Operations.
- Noted a case of plagiarism and academic fraud which led to the dismissal of two members of the academic staff.
- Approved proposals for the restructuring of the Data Management Unit and the Information Technology Division into a new single division.
- Approved a new selection and appointment policy for Hall and House wardens.
- Noted that the enrolment target for 2014 had not been met.
- Approved a selection and appointment policy for residence Sub-wardens.
- Approved the Rhodes University Annual Report.
- Approved a policy on the Evaluation of Teaching and Course Design.
- Approved guidelines for the promotion of academic staff.
- Approved a revised Language Policy.
- Noted the Equity and HR scorecards.
- Engaged the CSIR to prepare a comprehensive maintenance plan for the institution.
- Appointed Mrs Natalie Ripley to the post of Director of the newly formed Information and Technology Services Division.
- Approved a protocol for the election of Deputy Deans.
- Approved a common faculty policy and procedures on plagiarism.
- Approved the establishment of a Unit of Zimbabwean Studies in the Department of Sociology.
- Appointed Dr Colleen Vassiliou as Director of the Student Affairs Division.
- Approved the sale of Rhodes House in Parktown, Johannesburg, noting that the Minister's approval had been obtained.
- Approved a balanced budget for 2015.
- Approved a revised Audit Committee Charter.
- Approved a policy relating to High Profile Guests and Political Activity on campus.

## RHODES UNIVERSITY

### REPORT OF CHAIR OF COUNCIL FOR THE YEAR ENDED 31 December 2014

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#### Significant awards to departments, staff and students

- Professor L Juma was awarded the Vice-Chancellor's Distinguished Senior Research Award.
- Professor C Shackleton was awarded the Vice-Chancellor's Distinguished Senior Research Award.
- Professor B Irwin was awarded the Vice-Chancellor's Distinguished Research Award.
- Professor L Praeg was awarded the Vice-Chancellor's Book Award.
- Dr L Goosen was awarded the Vice-Chancellor's Senior Distinguished Teaching Award.
- Mr K Barnard was awarded the Vice-Chancellor's Distinguished Teaching Award.
- Professor Janice Limson was awarded a SARCHI Chair in Science Communication.
- Professor S Shackleton was elected a member of the Science Academy of South Africa.
- NRF ratings:
  - Professor Catriona Macleod received a B1 rating.
  - Professor Brett Pletschke received a C2 rating.
  - Professor Anthea Garman received a C3 rating.
  - Dr E Andriantiana received a Y1 rating.
  - Professor L van der Walt received a C1 rating.
  - Professor R Simango received a C2 rating.
  - Professor M Graven received a C1 rating.
  - Honorary Professor K Cochrane received a B2 rating.
  - Dr P Mashazi was awarded a Y2 rating.
  - Dr S Khene was awarded a Y2 rating.
  - Dr K Krauss was awarded a Y2 rating.
  - Professor H Tininyane was awarded a C2 rating.
  - Professor N Barker was awarded a C1 rating.
- Six Rhodes students won Rhodes Mandela scholarships.

#### Financial viability

As indicated in the Annual Financial Review, 2014 was a successful financial year for the institution, contributing to a further increase in the already viable financial state of the University. Council has no hesitation in asserting that the institution is a going concern.

#### Staff development and equity in 2014

During the course of 2014, 15 Rhodes staff (permanent and temporary) acquired further qualifications, 4 of these a PhD and 11 of these Masters degrees. There are 24 staff enrolled in a professional development course run by the Centre for Higher Education Teaching and Learning, aimed at improving the assessment of learners.

The development of the next generation of academics remains a focus area and the accelerated development programme for academics, from designated groups, has continued and expanded. Staff completing this programme in 2014 and now in permanent employment number 9, in the departments of Computer Science, English, History, Mathematics, Political Studies, Psychology Biochemistry, Microbiology and Biotechnology and Sociology. Individuals will have completed the programme and will be screened for permanent posts which currently exist. During 2014, various development opportunities were presented which include a promotion workshop, teaching with technology workshop, RU connect workshop, Curriculum Colloquium and tutor development workshop. A total number of 137 academic staff attended the above-mentioned opportunities.

## RHODES UNIVERSITY

### REPORT OF CHAIR OF COUNCIL FOR THE YEAR ENDED 31 December 2014 (CONTINUED)

Support staff also have the opportunity to complete further qualifications from NQF level 4 (through the running of an outsourced matric school), or at NQF levels 5 to 9 (either at Rhodes University through the provision of remission of fees or through the provision of funding to study at another institution). A total number of 123 members (support and academic staff) did utilize remission of fees. In 2014, 11 Rhodes staff completed their NQF level 4 qualifications which is equivalent to matric. A further 17 Rhodes support staff were supported in studying at other institutions through the Continuous Education programme.

The Human Resources Division continues to run in-house programmes such as, office administration, isiXhosa language courses, and a variety of computer literacy courses. Various other courses or development opportunities were available to staff members which include driver licenses, first aid, firefighting, health and safety, minute taking and the role of a chairperson during 2014.

The support staff internship programme continues to provide a vital pipeline of future staff from designated groups for the institution. This programme aims to provide young graduates or matriculants with the necessary work experience to secure employment, the majority of which are then employed in permanent posts in the institution. In 2014, 25 internship placements were in areas such as Food Services, Communications and Marketing, Finance, Human Resources, Registrar's Division, the Library, the Research Office, Grounds and Gardens, SAIAB, as well as academic departments including Journalism, Drama, Biochemistry, Chemistry and Zoology and Entomology. To date, since the inception of this programme over a decade ago, 149 of the interns that have participated have secured employment at Rhodes or elsewhere because of the internship. This has contributed towards improving the demographic profile of Black staff in the support staff areas in clerical and entry level professional jobs.

As at 31 December 2014, the institutional profile for Support Staff of the number of designated staff is as follows:

<b>A. Permanent Support staff</b>		
<b>Department of Labour Categories</b>	<b>Black (African, Coloured, Indian)</b>	<b>Women</b>
Top management	1 (50%)	0
Senior Management	3 (25%)	7 (58%)
Professionally qualified and mid management staff	38 (38 %)	58 (57%)
Skilled technical, junior management and supervisory levels	138 (55%)	152 (60%)
Semi-Skilled and discretionary decision making	210 (88%)	143 (60%)
Unskilled and defined decision making	326 (100%)	179 (55%)
Total institution	716 (77%)	539 (58%)

#### Notes:

This table shows a pleasing increase amongst skilled technical staff (from 132 to 138), the percentage of Black staff has moved from 50% in previous reporting period to 55% in this reporting period. At the semi-skilled level, while there has been no change in the actual numbers, the percentage of Black staff has increased marginally from 87% a year ago to 88% this year. Although there has been an increase in the number of Black staff at senior management, the percentage at this level increased to (25%).

## RHODES UNIVERSITY

### REPORT OF CHAIR OF COUNCIL FOR THE YEAR ENDED 31 December 2014 (CONTINUED)

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There has been no movement for Black staff at the professionally qualified occupational level. Although 2 Black staff were hired during this period, 2 also terminated their services during this period. The reasons for termination of employment were resignations.

It should be noted that Black staff constitute 36.5% of all management (middle, senior, and top management), an increase from 31.1% as at 31 August 2011, and three years ago. As movement at these senior levels is often slow, limited opportunities may present themselves. In the last equity period, search processes have been deliberately used at the middle and senior management levels to try and find suitable Black applicants. That 95% of all appointments made were Black staff, it would appear that this strategy is working.

In general, it has been excellent to see the use of support staff vacancies to transform the profile of staff. The support staff managers and HR are to be commended for driving this agenda and being successful in these appointments.

Year on year, the number of women has increased from 520 to 539, from 56% of all support staff to 58% of all support staff. The University is addressing this trend to align it with the national EAP target. There has been an increase of women at the senior management level, with women constituting 58% of all senior management appointments, remembering of course that due to the small numbers at this level, the hiring of even 1 woman can make a difference in the percentages. There has been a decrease of 2 women in the middle management/professionally qualified type positions with a slight decrease in the percentage of women (58% to 57%). Although there has been no change in the number of women in the skilled technical occupational level, the percentage of women at this level increased from 58% to 60%. While the number of women at the semi-skilled occupational level decreased marginally by 1, the percentage remains the same. There has been an increase at the unskilled occupational level with the result that women now constitute 55% of this level of staff.

An equity scorecard (reflecting progress against targets for permanent posts in the institution) is produced by the HR Division on a quarterly basis to the Employment Equity and Institutional Culture Committee and from 2013 was tabled at the Institutional Forum and Senate on a quarterly basis. These scorecards show the number of opportunities (vacancies that have been filled) for transformation as well as how many of those opportunities have resulted in the employment of a Black member of staff.

As at 31 December 2014, the profile for permanent academic staff is:

<b>Permanent ACADEMIC staff</b>		
<b>Academic grades</b>	<b>Black (African, Coloured, Indian)</b>	<b>Women</b>
Professors	4 (8%)	11 (21%)
Associate Professors	4 (6%)	14 (23%)
Senior Lecturers	14 (13%)	48 (45%)
Lecturers	32 (32%)	49 (49%)
Junior Lecturers	2 (50%)	3 (75%)
Total Institution	56 (17%)	125 (38%)

## RHODES UNIVERSITY

### REPORT OF CHAIR OF COUNCIL FOR THE YEAR ENDED 31 December 2014 (CONTINUED)

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The total number of new permanent Black staff employed increased by 15. However, the total number of terminations of Black staff was 8, leaving a net increase of 7 Black permanent academic staff members. There has been a decrease in the number of Black Professors; the institution has not seen enough Black staff employed during this equity period to counteract the 28 terminations of which 8 were Black staff during the year. The reason for termination of employment by these 8 permanent Black staff included retirements and resignations.

In terms of the institution's EE plan, the target was to have Black staff represent 31% of all permanent academic staff as at 31/08/2014. However, as long as the institution continues to recruit a rate where only 40% of all permanent appointments are Black, this target will not be achieved. In absolute numbers, the target was to have 74 more Black permanent academics at this point in time. A very low turnover for the last two equity year periods and including the first two quarters of this equity year has meant lesser opportunities than anticipated. Notwithstanding that, the opportunities that do present themselves are not being fully exploited.

Pleasing to note is that the number of Black Senior Lecturers has grown from 8 as at 31/08/2011 to 14 as at 31/8/2014. Deans and HoDs should be encouraged to work hard and ensuring the retention of these staff and their development and readiness for promotion into the professoriate at Rhodes. Similarly, the growth at the lecturer level from 19 to 32 over the last 3 years should hopefully also translate into promotional opportunities in the medium term (3 to 5 years). The Deans and HoDs are encouraged to identify these individuals and work hard to ensure that they are retained and developed within the institution.

#### 4.3 Profile of women academics

With regards to the number of women academic staff, there has been an increase from 122 in the last quarter reporting period to 125 in the current quarter reporting period.

This table shows an increase of the number of women at the level of Associate Professor (mostly through promotions) and at the level of Lecturer. There has been a decrease in the number of women professors from 12 during the previous period of reporting (01/09/2012 to 31/08/2013) to 11 in this period of reporting (01/09/2013 to 31/08/2014) but an increase of Associate Professors, largely due to promotions during the year. The percentage of women at the senior lecturer has decreased from 59% to 45%, this was due to promotion of 10 women in the second quarter of the year to Associate Professor and the resignation of 3 women during this period. There has been an increase in the numbers at the Lecturer level.

The percentage of women academics has however decreased from 44% to 38% from the last equity year to this equity year. This is very disappointing to note. A growing trend of increasing women at the professoriate (20 in 2011 and 2012 to 23 in 2013 to 25 in 2014) over the past three years is pleasing. This means that 22% of all the professoriate (Professors and Associate Professors) at Rhodes are women. However, decreasing numbers of women at the senior lecturer level means less likelihood in the next year or so of seeing the promotion of women growing this professoriate. Growth will therefore have to come from hiring of women into these ranks.



## **RHODES UNIVERSITY**

### **REPORT OF CHAIR OF COUNCIL FOR THE YEAR ENDED 31 December 2014 (CONTINUED)**

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#### **Composition of the student body**

In 2014 student numbers totalled 7512 in 2014 (up from 7485 in 2013). The details thereof are contained in the report of the Chairperson of Senate. This total was below the enrolment target with a noticeable decline in the number of undergraduate students who failed to re-register. This is ascribed to the prevailing economic climate as most of the students who did not re-register were likely to have required an additional year or more to complete their degrees. The other noticeable feature of the student enrolment was that although the undergraduate numbers were below target the postgraduate numbers were over target.

#### **Research**

The research activities are dealt with in detail in the report of the Chairperson of Senate. The University continues to function as a research-intensive institution with an enviable research publication record for the smallest research intensive public university in South Africa.

#### **Campus infrastructure**

During 2014 the following major infrastructure projects were undertaken:

1. Work continued on the construction of a new Life Sciences building.
2. A new undergraduate residence was constructed.
3. Construction of a new postgraduate residence commenced.
4. Construction of a new School of Languages building commenced.

#### **Prominent events on campus**

- Graduation: Five graduation ceremonies took place at which honorary doctorates were awarded to Sidney Brenner, Hugh Masekela, Nokugcina Mhlophe and Neil Turok.
- Convocation and Founders Day: The annual meeting of Convocation was well supported by alumni and Distinguished Old Rhodian Awards, for those alumni who have attained and maintained excellence in their chosen fields of endeavour and in their service to society, were presented to Judge Ronald Jonathan Wilshire Jones, Lincoln Camagu Mali, Imogen Nonhlanhla Mkhize, Rich Mkhonto Mkhondo and Edward Ernest Baart. The Emerging Old Rhodian Award, an award specifically aimed at honouring younger (under 40) Old Rhodians who have excelled early in their career and shown potential for continued success, was awarded to Konehali Gugushe and Unathi Fundiswa Msengana.

## **RHODES UNIVERSITY**

### **REPORT OF CHAIR OF COUNCIL FOR THE YEAR ENDED 31 December 2014 (CONTINUED)**

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#### **Student services**

The Dean of Students Division underwent a review at the beginning of 2014 and was renamed the Division of Student Affairs (DSA). The DSA exists to create a living and learning student-support system and an environment that is inclusive and conducive to a healthy lifestyle, personal growth, development, and academic success for all Rhodes University students. The complex services offered by the DSA offer a wide range of new experiences and opportunities outside the classroom, thereby enabling students to embark on the process of understanding themselves as critical and engaged citizens. The DSA has three focus areas: namely, Wellness, Student Services and Sport Administration.

The Student Services Section consists of the Residence System (wardening and leadership structure); Disabilities Office; and the Student Representative Council (SRC).

The Wellness section consists of the Health Care Centre, Career Centre, HIV office and the Counselling Centre.

Sports Administration consists of Sports clubs, Residence sports, Sports facilities and the Health Suite.

For 2014, Awareness raising and First year orientation work continued to be facilitated by the DSA office. All Harassment cases were also reported to the Acting Director of Student Affairs.

#### **Student Services Section**

##### ***Residences***

The division arranged residence leadership training and orientation, and ran a number of successful awareness-raising weeks. The DSA continued to manage the 52 residences. The 13 Hall wardens are well equipped to deal with most matters and the residential system remains one of the best in the country. Hall Wardens meetings and wardens discussion groups occur monthly. The Acting Director visited 13 of the 14 halls and met with all Hall Administrators, Hall Wardens and wardens. A SWOT analysis was conducted in each Hall and the idea of ensuring the residences are a living and learning space was interrogated. Academic results of each Hall were also discussed in great detail and the reconceptualisation of wardening was also unpacked. A plenary session was held with all student leaders at the beginning of July - noting positive and negative experiences during the first six months of 2014. The residence leaders actively engaged during this session.

The results of the annual Residence 'Quality of Life Survey' were widely disseminated and discussed. The Quality of life statistics speak to the strength of the residence system. 72.2 % of the students stated that academic achievements are highly valued in their residence. 64.8 % of students reported that living in residence enriched their personal development (wellness). 63.2 % acknowledged that their residence offers them a chance to get involved in community engagement. 67.4 % of students reported that in their residence they respect individuality and accept each other's differences and 74.6 % of students stated that residence has taught them a lot about diversity of culture, belief and life-style. The residence system must be at the forefront of valuing diversity. Values such as academic excellence, a wellness approach to life, embracing diversity, environmental awareness and community engagement all form a part of residence life.

##### ***Disabilities Office***

The disability policy for students and staff was drafted at the end of 2014 and has been forwarded to the Disability Task Team for comments and input. The DSA also maintained a database of students who disclosed that they have a disability on their registration form. Each student was contacted and support offered.

Students on financial aid needing spectacles were also assisted by the DSA office. A total of 52 students requested spectacles during 2014. The feedback with regards to this initiative was extremely positive.

**RHODES UNIVERSITY**

**REPORT OF CHAIR OF COUNCIL  
FOR THE YEAR ENDED 31 December 2014 (CONTINUED)**

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***Student Representative Council***

The SRC provides support services, programs, and activities that build on student governance. Activities the SRC were involved in during Orientation week were: Registration; Transporting Students; Business Extravaganza; Jazz Evening; RU Jamming; Societies and Sports Extravaganza; the Amazing Race; and the Great Field Party. The SRC consists of 15 portfolio's (the media portfolio was vacant during 2014) all of which were active and productive during the year.

The SRC also held their elections - one week of nominations was followed by a week of campaigning and voting. Voting stations facilitated both electronic and ballot elections. The appointed Impartial Officer of the Independent Electoral Board declared the election free and fair. A record poll of 45.85% was achieved which met the Quorum requirement of 33.3%. Results were released by the Chairperson of the Independent Electoral Board. The Elections were the most successful in years.

**Wellness**

Student Wellness is dedicated to putting students' wellness first. The staff are to be commended for their dedication, hard work, position attitude and the incredible difference they make to the wellness of Rhodes University.

***Health Care Centre (HCC)***

The Health Care staff were awarded merits at the end of the year. The HCC not only provides a service to students but also for staff on post level 1-5.

2014 STUDENTS				Dr	Sr
Res	Oppi	TOTAL	LOA	STUD	STUD
5673	1086	6 759	314	392	6367

2014 STAFF			Dr	Sr
Date	TOTAL	LOA	STAFF	STAFF
TOTAL	2406	40	27	2414

The HCC remains the only university clinic in the country that provides an after-hours service. A local doctor provides a valuable service to students and staff. She not only assisted with morning sessions, but assisted with after-hours emergencies and advice and guidance daily (see statistics above).

***Counselling Centre (CC)***

The Counselling Centre had a very busy and difficult year. The Centre continued to provide individual therapy, workshops, after- hour's crisis service group sessions and community engagement services. The 4 intern psychologists were a valuable part of the team. The most common presenting problems at the Centre during 2014 were: anxiety, concern about academic performance, stress, depression and relationship problems.

Number of therapy sessions conducted	3129
Total number of individuals who accessed therapy	1208
Total number of individuals who attended workshops	1320
Total number of individuals who accessed wellness services	2528

## RHODES UNIVERSITY

### REPORT OF CHAIR OF COUNCIL FOR THE YEAR ENDED 31 December 2014 (CONTINUED)

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#### **Career Centre**

The Career Centre staff contributed significantly to the occupational wellness of Rhodes students. The professional management of the graduate recruitment program is to be commended. A successful Top 100 event was facilitated by the Career Centre. The Career Fairs grew in numbers and were well attended by students. The Centre started a very successful career lounge programme. The Centre also, continues to provide a walk-in system, appointment system, workshops and an on-line service.

#### **HIV/ Aids Office**

The HIV Office provides confidential HIV testing to all students and staff. The HIV office received a grant of R400 000 for a period of two years, a data capturer and a tester / counsellor were employed as a result of the above funding. Two testing campaigns were conducted during 2014 and a total of 2263 individuals were tested. The student and staff peer education programme was successfully integrated into one Rhodes peer education programme.

#### **Sports Administration**

Sports Admin revised the structure of the inter-residence sports competition to ensure maximum participation and enjoyment. Community outreach programmes continued in hockey, soccer, netball, karate and high performance rowing.

Rhodes Sport hosted a Sports sign-up evening, First year's athletics, Rhodes Sport Evening, USSA rugby Tournament, the Mutual & Federal USSA Rowing Boatrace and a Sports Awards dinner.

Facilities are aging, and funds have been set aside to upgrade the athletics track on prospect field and Hockey Astro urgently needs to be upgraded. The Purple Horse venue caught fire in an incident in May 2014, plans are set to refurbish this facility.

The following clubs participated in USSA tournaments: Hockey; Basketball; Netball; Squash; Cricket; Aquatics; Sailing; Tennis; Pool, and Chess.

#### **Other DSA services**

The *Dean of Students Pocket Money Fund*, which depends on voluntary donations, assisted 142 needy students with R170 pocket money for 10 months of the year.

*Get home safe program* continued with 14 drivers assisting on a rotation basis every Wednesday, Friday and Saturday night. 182 call outs were requested during 2014.

#### **The following awareness raising and leadership training campaigns took place in 2014:**

- Residence Leadership training for all Sub-wardens, Head Students, Senior Students and House committees
- Orientation week for First years and Parents orientation
- Live Smart day (supported by the SRC and Sports Admin – First Year Athletics and a Nelson Mandela Memorial concert)
- Give – 5 Collection (DoS supported Alumni with the Fire Walk event)
- Human Rights Week – the theme of the week included 'the values and principles of Nelson Mandela (Section 27 spoke to students and staff about the lack of appropriate Health Care in the EC, The National Youth Development Agency presented community endeavours and how we should get involved, and a Human Rights concert was organised in the form of a poetry, dance and music competition)

## RHODES UNIVERSITY

### REPORT OF CHAIR OF COUNCIL FOR THE YEAR ENDED 31 December 2014 (CONTINUED)

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The following awareness raising and leadership training campaigns took place in 2014 (continued):

- Community Engagement week
- Animal Rights week
- Internationalisation week
- Silent protest
- Women's week
- Show me your roots – which was a Heritage day event and
- Wellness week (disability events were incorporated into the events).

#### Harassment and mediation

The Division offered support to victims of *harassment and discrimination* and maintained a critical incidence database.

#### Policies

The DSA has presented the Leave of Absence policy, Alcohol policy at various committees. The Policy for High Profile Guests on Campus was approved by Senate and Council in 2014. The protocol for the use of illicit drugs served before the Disciplinary Committee during 2014.



V KAHLA  
CHAIR OF COUNCIL  
19 June 2015

The year 2014 was yet another very successful year for Rhodes University. In this report we highlight some institutional achievements and significant progress made in 2014.

### Goals and objectives

Our goals and objectives for 2014 were shaped by the three pillars that define our core social purposes as an institution of higher learning. Our university exists to serve three core purposes, each of them deeply traditional in nature, but also each required to be acutely attuned to the changing inflections of the era:

- Our first purpose is to *produce and disseminate knowledge* through all kinds of research, creative endeavours and scholarship so that we can advance the frontiers of knowledge, human understanding and wisdom.
- Our second purpose is to teach in ways which allow and encourage our students to engage critically with *knowledge* and its production. Through our teaching, our students should not only develop a “critical appreciation of the ways in which we gain knowledge and understanding of the universe, of society, and of ourselves<sup>1</sup>”, but should also be inducted into the intricacies of knowledge-making. As such, our curricula and pedagogy should be designed with a view to fostering students’ inclusion in the journey of discovery.
- Universities do not exist in a vacuum - they exist within a particular social, economic, cultural, political and historical context and are an integral part of the community in which they exist. In this regard, Rhodes’ third core purpose is to discharge its critical *societal responsibility* through engagement with the pressing questions of the day, whether these are urgent local needs in our own community, or wider issues confronting societies globally. Our Community Engagement endeavours range from formal credit-bearing service-learning courses to student volunteering in local projects. In these activities, we forge respectful, reciprocal, mutually-beneficial and knowledge-driven partnerships with our local (external) community. It is through our Community Engagement activities that we endeavour to “take knowledge beyond the confines of the academy into a variety of social domains.” In this way, our knowledge is tested and enhanced, our scholarship enriched and the socio-economic condition of our local communities improved. In the process, we gain new and deeper insights into the pressing and complex challenges facing our local communities, and a more deeply nuanced view of the wider patterns in which we are located.

These three core purposes constitute our *academic or intellectual project*. This is what it means for us to be a university that takes *knowledge, scholarship and learning* very seriously and that works hard to create an institutional culture that embraces academic freedom, embraces intellectual inquiry and debate, and places a high value on creativity and innovation. These three core purposes are not distinct from or in competition with each other but are mutually supportive; each one feeds into and catalyses the other two.

As we diligently pursue our academic project, we endeavour to remain at the forefront of making and sharing knowledge while at the same time ensuring our responsiveness to the local, national and continental imperatives and challenges.

In line with our educational goals and objectives, Rhodes seeks to

1. Create and maintain an inclusive, positive, affirming and inviting intellectual, social, cultural and physical environment and institutional culture that embrace academic freedom, unfettered pursuit on truth, difference and diversity, rational debate, and facilitates high quality learning, scholarship and knowledge production, and community engagement that is locally and nationally responsive and globally recognised.

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<sup>1</sup> Henry Rosovsky’s vision of an ‘educated person’.

2. Be an outstanding undergraduate university. Our objectives are to
  - Produce graduates who are knowledgeable, skilled and competent, graduates who are critical and democratic citizens; graduates who are ethical leaders who are committed to the values of human understanding, social justice, human development and service to society; leaders who are unwavering in their support of human rights and environmental justice;
  - Maintain our status of possessing the best pass and graduation rates among south African universities even as our social and demographic composition of our student body continues to approximate our national profile;
  - Ensure that students from poor, rural and working class backgrounds benefit from the outstanding educational experiences offered at Rhodes. We believe that diversity in the composition of the student body not only enriches the academic, social and cultural environment in significant ways but also enhances students' own life experiences while they are here. Our students' interaction with others from diverse social, economic and cultural backgrounds contributes towards their holistic educational experience and prepares them for the global society in which we live;
  - Ensure that we provide financial support and effective academic support to all students, and especially those who come from poor, rural and working class backgrounds so they can realise their full academic potential;
  - Pursue appropriate balance between face-to-face learning and teaching and the use of information and communication technologies to enhance and support learning and teaching;
  - Ensure appropriate arrangements and provision for extended studies programmes for students that do not meet automatic admission requirements but display talent and potential to succeed.
  
3. Be an excellent research-oriented university. Our objectives are to
  - Produce professionals, scholars and researchers who are knowledgeable, skilled, competent, compassionate and committed to the common good;
  - Maintain our status of possessing among the best research outputs per capita academic staff;
  - Pursue a trajectory of becoming more postgraduate;
  - Raise the total research output for the institution;
  - Improve the equity profile of postgraduate students by ensuring that we continuously enhance the quality of learning and research opportunities available, especially for black South African students;
  - Enhance the supervision capacity of our academics;
  - Ensure that we provide adequate postgraduate financial aid for those students who are academically talented but financially needy;
  - Ensure that we provide the best academic research infrastructure, equipment and facilities to advance our research endeavours.
  
4. Pursue high quality community engagement and service-learning characterised by respectful, reciprocal, mutually-beneficial and knowledge-driven partnerships with our local (external) community. Our objectives are
  - To encourage and support student and staff volunteerism as a mechanism of deepening civic duty;
  - To encourage students to develop a deeper awareness and understanding of the social and economic challenges that still confront the majority of our people and to inculcate in them a deep commitment to become agents of social change and societal transformation;
  - To use community engagement as a bridge between the academy and our local community so as to build a vibrant and sustainable greater Grahamstown community;
  - To institutionalise service-learning as a curricular innovation that builds on the core knowledge production and dissemination of our university.

We are pleased that we were able to realise these and other strategic priorities of our University.

## RHODES UNIVERSITY

### REPORT OF THE VICE-CHANCELLOR (CONTINUED)

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#### *Student enrolments*

The University's six-year enrolment plan for the period 2014 – 2017 was approved by Council and submitted to the Department of Higher Education and Training in 2013. The enrolment targets and the actual enrolments for 2014 were as follows:

Students	2014 target	Actual 2014 enrolment
First-time entering students	1570	1664
Total undergraduate	5561	5144
Postgraduate to Honour's level	951	1069
Master's	863	943
Doctor's	441	513
Total postgraduate	2255	2309
Occasional	45	59
<b>Total Enrolment</b>	<b>7861</b>	<b>7512</b>

- We exceeded our first-time entering target by 94 students; i.e., 6% above our 2014 target.
- The actual undergraduate enrolment of 5144 is 417 (or 7.5%) below our enrolment target. This phenomenon of the non-returning of second or third year students who were in good academic standing started in 2013. It could be that the difficult economic situation is forcing students to opt to stay at home and study at a university closer to home so they do not have to pay for accommodation. If this phenomenon persists, it is likely to have an adverse impact on the throughput and graduation rates.
- The actual total enrolment of 7512 is 349 (or 4.4%) below our enrolment target.

#### *2014 graduation statistics*

	Number	Percentage
Undergraduate degrees	1241	53%
Postgraduate qualifications	1079	47%
<b>TOTAL</b>	<b>2320</b>	
Women	1427	62%
International students	547	24%
Master's degrees	300	13%
Doctoral degrees	82	4%

- The figure of 82 PhDs is a new university record which improves on last year's record of 78 PhDs.
- It is also very pleasing to note the high percentage of women who graduated.

#### *Achievements in Teaching and Learning*

Rhodes University places a high premium on quality teaching and learning. Our Centre for Higher Education Research, Teaching and Learning (CHERTL) and the Senate Teaching and Learning Committee play a significant role in supporting quality teaching and learning at Rhodes.



**CHERTL**

The Centre for Higher Education Research Teaching and Learning (CHERTL) functions both as a fully-fledged academic department and as a service department in respect of issues related to teaching and learning.

There are three key focus areas for CHERTL:

- (i) Development of academic staff as professional educators,
- (ii) the promotion and assurance of quality in teaching and learning, and
- (iii) the development of student learning in conjunction with academic departments.

As an academic department, CHERTL focuses on Higher Education as a field of study and the development of teaching and learning in higher education.

In 2014, seventeen (17) Rhodes academics received short course certificates and Alty Awards for successfully completing the Assessors' Course. Three (3) people were awarded distinctions and ten (10) academics were awarded a grade of highly competent for their submissions. Twenty (20) academics participated in the CATALyst (Conversations about Teaching, Assessment and Learning) course facilitated by Dr Sue Southwood and Prof Lynn Quinn in 2014 - 8 in the first semester and 12 in the second semester. It is deeply gratifying to report that CHERTL continued its contribution to our higher education system by offering the PGDip (Higher Education) qualification to academic developers in our higher education sector. The aim of this Diploma, offered at honours level, is to enhance the knowledge and competencies of staff in Teaching and Learning units/centres at universities all over South Africa whose role it is to offer professional development for academic staff as educators in higher education institutions. The purpose of this Diploma is to advance academic developers' knowledge of higher education as a field of study and to enable them to conceptualise, design and implement formal and informal academic development initiatives appropriate to their specific contexts. Participants come from a range of institutions including the NMMU, Venda, Durban University of Technology and University of Zululand.

**Teaching & Learning Committee**

*1. Management of the Teaching Development Grant*

Rhodes University received a Teaching Development Grant (TDG) from the Department of Higher Education and Training (DoHET) for the first time in the 2012/13 financial year. The 2014/15 reporting year was, however, the first time 'close' management of the TDG against criteria established by the DoHET was required.

A proposal for the use of the TDG, developed with the assistance of the Teaching and Learning Committee, was submitted to the DHET in late 2013. This was approved by the DHET. No major changes in the use of the TDG were necessary in the course of the 2014 academic year. Had these been necessary, approval would have been sought from the Committee. The Teaching and Learning Committee did, however, receive reports from various projects funded by the Grant including the Writing Intensive Project. In addition, the Committee worked with applications for funding from the TDG made by Rhodes University staff.

Members of the Teaching and Learning Committee attended a meeting with representatives from the DHET on 3<sup>rd</sup> September 2014 intended to follow up on the use of the 2014/15 Grant. No negative comments were received from the DHET as a result of this visit.

*2. A Common Course for Rhodes University*

Over a number of years, the Teaching and Learning Committee worked with various iterations of a proposal for a 'common course' that would attempt to develop students' awareness of contemporary South Africa and the responsibilities of citizenship. These proposals had not received a favourable response from all quarters of the University, however. In 2013, a decision was made to support an initiative emanating from the Allan Gray Centre for Leadership Ethics which took the form of a series of 'Existential Conversations' led by students themselves with the support of academic staff. In the course of 2014, the 'Existential Conversations' proved to have the capacity to function as the common course envisaged. An application to run the 'Conversations' as two short courses was therefore prepared towards the end of 2014. This application was approved by the Institutional Planning Committee and, from February 2015, students were eligible to receive a 15 SAQA credits at level 5 for Existential Conversations 1 and another 15 credits at the same level for Existential Conversations 2. The two short courses are therefore the equivalent of semester long courses at Rhodes University. In 2015, attempts will be made to place the two courses on the University Calendar when they can achieve full status of courses counting towards a degree. The plan is that the courses will remain voluntary for the time being.

*3. Higher Education Quality Committee's Quality Enhancement Project*

The Higher Education Quality Committee's (HEQC) Quality Enhancement Project (QEP) was launched in 2014. Although a committee with special responsibility for working with the QEP was established by the Deputy Vice-Chancellor, Academic & Student Affairs, Dr Sizwe Mabizela, the Teaching and Learning Committee also worked extensively with the 'baseline' submission to the HEQC due in September. This submission required Rhodes University to detail areas of practice and particular challenges in four focus areas: i) the development of academic staff as educators, ii) student support and development, iii) the learning environment and iv) course and programme enrolment. The submission document served before the Senate on 4<sup>th</sup> September 2014 and was submitted to the HEQC thereafter. Members of the Committee have since attended meetings and events related to the QEP.

*4. Policy Work at Rhodes University*

In the course of 2014, the Teaching and Learning Committee worked on the revision of the Rhodes University Policy on the Assessment of Student Learning and the Rhodes University Common Faculty Policy and Procedures on Plagiarism.

The Committee also worked on a document intended to regulate the use of a common set of contact sessions serving two sets of course outcomes.

*Achievements in Research outputs and other creative endeavours*

Rhodes University is one of the leading research universities in South Africa. Research continued to thrive at Rhodes in 2014.

The 2013 audited research outputs continued to show a gratifying and steady increase in overall accredited research outputs. Overall weighted accredited units increased to 874.35 (a 15% increase on 2012). We retain the position as the third most favourable research output rate per capita in the South African university system. Fifty-two percent (52%) of the accredited outputs in 2013 were due to publications, 24% to PhD graduations, and 24% to Master's graduations by thesis. The PhD contribution represented a record year, and an 11% increase over the previous record number graduating the preceding year. The Master's contribution represented a significant new record, 29% up on the preceding year's figure.

## RHODES UNIVERSITY

### REPORT OF THE VICE-CHANCELLOR (CONTINUED)

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Our journal output, (which accounts for 89% of our total accredited publishing output for higher education subsidy purposes) grew by 15.7% from the 2012 level of 350.60 units to 405.49 units in 2013. The previous year had seen a 13% increase in this category. Coupled with Rhodes' high volume of accredited journal outputs in relation to its size, a very pleasing quality measure is that 87% of Journal outputs (by far the highest proportion of universities in the sector) appeared in international accredited journals, another feature of Rhodes University that drew comment in the DHET Ministerial Report.

Our output from accredited conference proceedings, (which in 2013 amounted to 6% of our total accredited publishing output) grew by 20% to 28.69 units – from a small base where year-on-year variance in either direction is common (the previous year had seen a slight decline in this category).

Book outputs (which in 2013 amounted to 5% of our total accredited publishing output) decreased by 41% – again from a small base where year-on-year variance is expected (moving down to 20.17 units). This category had seen a positive growth of 38% in the previous year.

A number of academics received their NRF ratings. Various initiatives are in place further to increase the number of rated researchers.

Prof Janice Limson was awarded the DST/NRF SARChI chair in Science Communication.

The following researchers attracted substantially large equipment grants from the competitive National Equipment Programme and National Nanotechnology Equipment Programme:

- Prof Nyokong – a grant of R10 million towards a R17 million new Time-of-Flight Secondary Ion Mass Spectrometer, the first of its kind in the Southern Hemisphere.
- Prof Dorrington - a grant of R3 million towards the upgrading of the Laser Scanning Confocal Microscope facility.
- Prof Ripley and colleagues – a grant of R3.9 million for the establishment of an Elevated CO2 Open Top Chamber Facility.

To underscore our commitment to pursuing a strong postgraduate trajectory, Professor Heila Lotz-Sisitka was appointed as the part-time Director of the new Postgraduate Studies Centre, to lead and manage the provision of additional support for enhancing the quality, quantity, and equity of our postgraduate population.

#### *Achievements in Community Engagement*

##### **Student Volunteerism**

The number of students volunteering grew in 2014 with 275 students working in 34 Community Partner organisations in Grahamstown weekly. A further 23 Residences and Societies partnered with a Community partner for the year involving approximately 430 more student volunteers.

Two training workshops – one at the start of each semester – were held to prepare the volunteers for their involvement. The purpose of these workshops was to help students understand the value, place and role of volunteerism in their holistic educational experience.

##### **Service – learning and Community engaged learning**

An audit of service-learning (credit bearing) and community engaged learning (non-credit bearing) programmes undertaken in 2014 revealed that there are 87 initiatives currently in place across the 6 Faculties. This reflects considerable growth over the past few years.

### **Establishment of Community Hubs**

Rhodes University is part of the greater Grahamstown community. The efforts of our Community Engagement Office are to make the boundaries of the University more porous by facilitating and enhancing the flow of knowledge in and out of the University. In order to facilitate the sharing and co-creation of knowledge two HUBS have been established in Joza Township. This has been done in partnership with other stakeholders. The Joza Youth Hub in Ncome Street is a partnership between 5 NGOs working in the field of Education giving academic and life-skills support to school-going youth. The Assumption Development Centre in Extension 2 is a partnership with 4 NGOs and the Assumption Sisters, addressing unemployment through entrepreneurship and small business development offerings. It is also at these Hubs that academics and student organisations provide *pro bono* advice to community members.

### **Community Engagement Roundtable**

In partnership with the Allan Gray Centre for Leadership Ethics, the 2014 *Critical Issues in Higher Education* roundtable focussed on Community Engagement and took place at the Post Graduate village from the 11-13<sup>th</sup> June. The Roundtable offered invaluable insights into community engagement theory and practice around the country. It was wonderful to learn how other universities were tackling the issues of institutional transformation and how community engagement could assist in this regard.

### **Human Chain**

The Human Chain, an initiative intended to break social, economic and cultural divisions in Grahamstown, took place on the 21<sup>st</sup> February 2015. The route was planned along a 5km stretch of road crossing old divides from Ncome Street in Joza through to the Drostdy Arch in Somerset Street. With only two reported gaps in the chain, we estimate that in excess of 4 500 people turned up for the event which was pleasing as the weather was not good.

We decided to deepen the process by organising activities around the Human Chain. Our aim was to get people thinking about their community, 20 years of democracy and what Madiba might have meant to them. To this end we organised "A Living Legacy" project which included an event in the Cathedral, painting of bus shelters, art activities in schools and live poetry and speakers around the Cathedral on the day.

### **Trading Live Mandela Week**

*Trading Live* is an institutional event designed by the Rhodes University Community Engagement Office (RUCE) to celebrate the birth of Nelson Mandela in July each year. The project is about sharing and reciprocity across our city through the use of an asset-based approach. This shift away from a deficit way of thinking about our community has done much to build relationships, allow all people to invest and share their skills and knowledge.

In 2014, the Nelson Mandela Foundation staff visited our office in Grahamstown to negotiate the use of the Trading Live concept which they wished to adopt and promote nationally. This concept will retain the Rhodes brand but will slowly be rolled out across the country.

The participation for Trading Live in 2014 at Rhodes grew both in scope and focus and is now run over a week rather than one day. Last year there were 93 trades (events) undertaken by over 200 teams. The thorough buy in from support staff and academic departments is also a testament to the impact of *Trading Live* on collegiality and institutional culture.

### **Rhodes Parent Education Programme**

The RU Parent Education is run in partnership with HR Division who provide funding to employ a part-time coordinator. The purpose of this programme, initiated by the previous VC, was to offer pupils of Rhodes staff in Grades 1 – 5 additional academic and life-skills support so that they would achieve good matric passes, get access to Rhodes and enjoy the fee rebate offered. We are pleased to report that four pupils who participated in this programme in 2013 are registered and attending Rhodes University in 2014.

### **UNESCO Project**

Rhodes and UCT were invited to participate in a UNESCO study on Strengthening Community University Research Partnerships. The research focuses on two HEI's in South Africa and two CSO's in South Africa. Rhodes University, and the Pharmacy Department Engaged research under Prof Sunitha Srinivas were selected for the publication.

### **17<sup>th</sup> International Conference on Service-Learning, Buenos Aires University, Argentina**

Dr Sharli Paphitis and Dr Nosipho Mngomezulu travelled to Argentina and presented papers at the Service-Learning Conference held at Buenos Aires University.

### **VC's Distinguished Community Engagement Award**

Each year, Rhodes University recognises individuals or groups of individuals whose sustained contribution towards community engagement is adjudged by a panel of peers as outstanding. The *Jongaphambili Sinethemba Project Group* (Professor Sheona Shackleton, Dr. Georgina Cundill, Mr. Nick Hamer, Mr. Monde Ntshudu, and Professor Heila Lotz-Sitsika) from the Department of Environmental Science, were the recipients of the 2014 Vice-Chancellor's Distinguished Award for Community Engagement.

The engaged research project into climate change and adaptation in rural contexts where vulnerability is exacerbated by multiple stressors undertaken by the group involved the participating communities of Lessyton and Willowvale from the conceptualisation stages of the project, and the research project was named *Jongaphambili Sinethemba* (looking forward, we have hope) by the communities involved. During their research into various aspects of food security, health, vulnerability and adaptation to climate change under multiple stressors, the group facilitated a groundbreaking social learning process in both communities which highlights a best practice model for engaged research that has attracted national and international attention and recognition. The social learning process was developed and implemented through the research project to make sure that the communities' concerns and voices were heard in the research project, and also, importantly, to build capacity to adapt to climate change and other stresses that people face; and to establish platforms for co-learning.

This research project yielded a number of benefits. First, the project improves our academic understanding of climate change and adaptation in rural contexts-the project produced a number of tangible academic outputs, including 9 PhD and masters students, 9 Journal articles and book chapters and 53 conference presentations. Second, the project improves adaptation strategies and the social development of the communities of Lessyton and Willowvale, where community facilitators whose social capital was operationalised through the social learning processes have become lasting champions of resilience in the face of vulnerability in their communities.

Finally, the project has radically advanced our understanding of the methodologies, implementation and practice of engaged research more generally.

The Law Clinic continued to provide much-needed legal assistance to the indigent. An Annual Review report regarding the Law Clinic and prepared by an independent consultant employed by *Inyathelo*: the South African Institute for Advancement noted that:

- The Rhodes Law Clinic has been a ground-breaking and exemplary operation in the access to justice sector in South Africa for several decades and is arguably the country's leading university law clinic. Its contribution to the provision of invaluable paralegal services to rural parts of one of South Africa's largest and poorest provinces is widely acknowledged to be critical and, in the current context, probably irreplaceable. The University and the Law Clinic are to be congratulated for this outstanding contribution to human rights and social justice and certainly deserve every opportunity to continue and hopefully even extend it.

*Achievements in Internationalisation*

Internationalisation at Rhodes University is the conscious, proactive and consistent effort to create an institutional learning environment inclusive of international, intercultural and global dimensions at every level of thinking and practice within the institution. Our ambition is to provide an environment and culture that facilitate academic staff development and practice that in turn fosters the development of graduates who are aware of the wider world and who have a sense of responsibility and commitment to making constructive contributions at the local, national, continental and global level in their chosen fields. Rhodes University acknowledges and values the immense contribution our international students and academic and support staff in the intellectual, social, cultural richness of our University. Without such a contribution, the educational experience of our students and our overall contribution to knowledge and human development would be so much the poorer.

The institutional culture of the University is greatly enhanced by the contributions of international staff and students and this also aids the University in diversifying and sharing international perspectives across academic work. Our international staff and students belong, at Rhodes University, an institution that must always be a 'home for all'.

In 2014, the Director of Internationalisation completed a two year term as Chair of the Directors' Forum with IEASA and took on IEASA's "Internationalisation of Curriculum" portfolio. She ran a joint workshop with the EAIE lead on this topic, Mr Jos Beelan, at the IEASA conference in Johannesburg with 50 participants from South African and other universities in the SADC region. She presented an update of the Internationalisation of curriculum in South Africa at the European Association of South Africa (EAIE) Special Interest Group meeting in Prague in September. She also co-facilitated a workshop with academics at DUT; presented to curriculum developers in CUT and ran a joint workshop with the academic leadership team at the University of Venda.

**Research and Mobility**

In 2014, Rhodes University continued international research collaborations and supported academics and postgraduate students to present papers and participate in international conferences. The 45 undergraduate student exchange programmes continued.

**Internationalisation at Home**

Recognising that the funding required to send undergraduate South African students on exchange programmes remains prohibitively expensive for many, the "Internationalisation at Home" programme received focused attention.

Benefiting from the fact that 20% of our students are international, the 2014 International week in May included informal curriculum educational events, designed to increase inter-cultural awareness and appreciation of diversity and multiculturalism. The week opened with the fourth International parade at Rhodes. The parade involved International students, South African students and the local community celebrated our diversity and saying no to xenophobia and ended with a "bring and braai" event involving over 1000 participants.

The East African society set up a station and encouraged students to learn *kiSwahili* and provided information, relating to their home countries. A group of students from the Pan African Dialogue Youth (PAYD) ran a "Bring Back our Girls" awareness campaign about the missing girls in Nigeria. Embracing multi-culturalism on the continent, the second Africa Ball was opened to the entire university community to celebrate Africa Day.

Throughout the year Internationalisation at Home events included the second “Nigerian Dialogues” colloquium at which the Nigerian academic and local Nigerian professional community debated social and political issues in Nigeria. South Africa’s heritage day “Show me your roots” event, initiated by the Zulu Society, was expanded in partnership with Rhodes University to include the heritages of all the international students at Rhodes.

Following the tragic Westgate shooting incident in Kenya, a vigil was held with the East African students at the time and an event later brought the Kenyan students together on their national day. Displays and interactive activities at each of these events expose all students to learning about each other and other places.

#### **PAYD Summit**

The Allan Gray Centre for Leadership Ethics and the International office worked in partnership with the Pan Africa Dialogue Youth group, founded at Rhodes University in 2009, to host its inaugural Leadership summit in 2014. 125 delegates from 12 African countries participated in roundtable discussions about the development of leadership on the African Continent.

#### **Internationalisation of the curriculum**

2014 saw the initiation of the inaugural awards for Internationalisation of the curriculum. This award recognised two academics, Professors Roddy Fox and Sunitha Srinivas, who provided evidence of transformative curriculum practices that develop in graduates an awareness of the bigger global issues facing the world, the continent and the country, as well as utilising the diverse experiences of the students in their classrooms. A presentation on “internationalisation” (why this is needed and what it might look like) was preceded by an address by the VC, as well as presentations by the two winning candidates of their work at the Award Event, addressing the Deans and other academic staff at Rhodes University.

#### **Visiting Professors**

The competitive Distinguished Visiting Professor programme brought in both International Professors and South African Professors, recognised as experts in their fields internationally e.g. climate change, to teach and development curriculum in a range of departments. A visiting lecturer from Hong Kong, Mr Acty Tang, worked with drama students on a new production addressing the theme of “Hunger” drawing on imagery both in South Africa and from across the world.

#### **Institutional culture**

The first International Staff Forum workshop was held to identify specific issues facing international staff and ways in which new international staff could be supported on arrival in South Africa.

A student forum on institutional culture identified the need to increase South Africa student’s knowledge of the rest of Africa, leading to the decision to run a “Know Africa” project in 2015.

#### **International student service**

New needs emerged with regard to student service. With the change of immigration regulations mid-year in 2014, hundreds of students and staff needed support in ensuring their visas were processed. The International Office began to compile lists of students, alerting them to the changes in visa regulations. The Director of the International Office, who sits on the Management Council of IEASA played a leading role in liaising with an IEASA Staff member and the Corporate Account team in Pretoria. All of the cases were resolved with the exception of 6, including one case of a student who has completed his degree in November but, following the consistent advice of the Corporate Account team is today still awaiting the processing of his visa since 2013.

## RHODES UNIVERSITY

### REPORT OF THE VICE-CHANCELLOR (CONTINUED)

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#### *Student services and extra-curricular activities*

One of the exciting aspects of university experience for students is the opportunity to interact with and learn from other young people who come from diverse social, economic, geographic, linguistic and cultural backgrounds. This diversity creates a vibrant intellectual, social and cultural environment which is key to achieving academic excellence. All student services, which are overseen by the Division of Student Affairs (DSA), aim to harness this diversity and difference to create a positive experience for our students in our residences. The overarching goal of this Division is "to create a living and learning student-support system and an environment that is inclusive and conducive to a healthy lifestyle, personal growth, development, and academic success for all Rhodes University students." This Division provides a wide range of activities, new experiences and opportunities that enhance the overall educational, developmental and growth for our students.

The Health Care Centre is available for students with minor ailments. There are doctors who are contracted to provide service to our students and staff at the Health Care Centre.

The Student Counselling Centre, which is staffed by highly competent and professional counsellors, is also available to students who experience emotional challenges.

Our residence system plays a significant role in creating and fostering an institutional environment that is conducive to academic excellence. All house committees, senior students, and sub-wardens attend a week long orientation so as to ensure that they understand the leadership role they are supposed to play in the residence system.

In 2014, the then Acting Director: Division of Student Affairs did a detailed analysis of student academic performance by Hall and by Residence. This was an important exercise in drawing attention of wardens to the importance of ensuring that students in their Hall or residence remained focused on their academic work.

Many of our students participate in some sporting activity of one kind or another while some of our sportsmen and sportswomen participate in USSA competitions.

The Student Representative Council (SRC) elections were conducted successfully. The SRC is an important voice of the students in all governance structures of the University. The Director: Student Services Council meets with the SRC president on a weekly basis while the DVC: Academic & Student Affairs meets with the whole SRC once each quarter.

#### *Staffing*

Our greatest strength, as an institution, is the quality of our staff – both academic and support. It is their loyalty, dedication, commitment and hard work that have enabled us to build and sustain this University as a place of knowledge. It is important that we continue to make Rhodes University an institution of choice for the best and the brightest academic, administrative and support staff.

Rhodes University has one of the highest proportions of academic staff with doctoral degrees.



## RHODES UNIVERSITY

### REPORT OF THE VICE-CHANCELLOR (CONTINUED)

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The paucity of black and women academics in the senior ranks of the academy remains a significant challenge for our University. Also, finding and attracting people with technical skills in certain areas of senior management, such as IT and Finance, is proving difficult. There are a number of reasons for these challenges. They include geographic location which makes it difficult for partners of our prospective employees to find employment and our remuneration packages that are not competitive. The institutional culture which is experienced as unwelcoming by some black and women academic and support staff also contributes to the difficulties experienced by the University in recruiting and retaining black and women academic and support staff.

Our Accelerated Staff Development Programme, which has been in existence for more than ten years, continues to play a crucial part in our efforts to create the next generation of black and women academics and scholars for our university.

In 2014, we continued paying particular attention to:

- Improving the equity profile of our academic and senior support staff;
- Developing the next generation of black and women academics;
- Effectively supporting new and emerging academics;
- Working out strategies that can help us address the staff remuneration grand challenge.

The following senior staff changes occurred in 2014:

- The Vice-Chancellor, Dr Saleem Badat resigned on 31 July 2014 to take up a new position at the Andrew Mellon Foundation in New York;
- The Director: HR, Ms Sarah Fischer resigned her position to pursue other interests;
- The Dean of Students, Dr Vivian de Klerk, retired on 30 June 2014;
- Ms Noluxolo Nhlapo was appointed to the post of Director: Equity & Institutional Culture;
- Ms Natalie Ripley was appointed to the post of Director: I & TS;
- Dr Colleen Vassiliou was appointed to the post of Director: Division of Student Affairs.

Staff relations are collegial and healthy. The relationship between the two unions, NEHAWU and NTEU, and the university management is healthy. For the first time in a long time, the unions and the management were able to conclude salary/wage adjustment negotiations very expeditiously in December 2014. The adjustments for all staff were effected in January 2015.

#### *Equity and Transformation*

The institutional imperative of equity and transformation remained firmly at the centre of our activities in 2014. All offers of appointment were carefully scrutinised by the Vice-Chancellor.

The University's Accelerated Staff Development Programme targeting black and women academics at the start of their academic careers continued to provide training for new staff. This programme is funded by Rhodes and works in the same way as the Mellon and Kresge Programmes. In 2012 appointments on this Programme were made in the following departments: Politics, Mathematics and Management and in 2013 appointments were made in Education, Environmental Education and Pharmacy. In 2014 two appointments were made in the Department of Statistics and one in the Department of Ichthyology and Fisheries Science. In total, to date, 44 lecturers have been appointed on the three Accelerated Development Programmes. Of those, 16 occupy full-time posts at Rhodes and 12 are still completing their initial three-year contracts.

The year 2014 was a year in which the ground work for the implementation of the Institutional Transformation Plan was undertaken. The Equity & Institutional Culture Office prepared the Institutional Transformation Plan along the lines suggested by the Transformation Managers' Forum of Higher Education South Africa. The plan was informed by diagnostic research into curriculum, student admission, teaching and learning, employment, governance and other broader institutional culture practices. Consultation on the plan with the various university stakeholders began in August. Over the next five years, transformation will be guided by the Institutional Transformation Plan.

## RHODES UNIVERSITY

### REPORT OF THE VICE-CHANCELLOR (CONTINUED)

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Individual Faculties have also formulated their own Faculty Transformation Plans which are aligned to the Institutional Transformation Plan.

The Office also undertook the first staff survey of the institution. Due to a focused promotional campaign, 56% of staff participated in the survey. The survey, together with the diagnostic research, forms the baseline from which progress in the institution's transformation will be measured. The institution's Equity Policy was also reviewed and the basic principles informing the policy changed to reflect a shift in focus from diversity management to inclusion. The first Heads of Department transformation workshop was also held. This workshop provided space for Heads of Department to have discussions on transformation and to reflect on and identify their role in the institution's transformation endeavours. Signaling a move towards positioning issues of curriculum transformation in the foreground of transformation efforts in tandem with issues of academic staff profile change and general institutional culture transformation, the Directorate also convened the first of its annual curriculum conferences. Again, to create more spaces in which disability issues were addressed, the Directorate added a Disability Week to the institution's calendar to anchor disability awareness-raising work undertaken in the period leading up to, during and post the disability week.

#### *Financial sustainability*

Our University has three sources of funds:

- State subsidy, including teaching input funds, research and postgraduate output funds, institutional size funds, student composition funds, teaching development grants, research development grants, academic development grants, infrastructure and efficiency;
- Student tuition income;
- Third stream income, including that derived from short courses, conferencing services, research contracts, endowments and gifts.

The budget process is open to the University community. The key principle in our budget process is to return a balanced budget for approval by Council. Once the budget has been approved, the Budget Executive Committee monitors its expenditure and considers requests for virements.

The University finances are well managed with carefully managed cash flows and expenditure against budget allocations. That said, there are a number of 'grand challenges' that the University is grappling with. These are:

- To ensure financial sustainability and long-term viability of our University in the context of ever-shrinking state subsidy of higher education, uncertain funding framework and bleak national fiscal outlook with low economic growth forecasts;
- To improve staff remuneration and salary competitiveness. Our less than competitive salaries make it difficult to attract and retain staff of high calibre;
- To improve the staff equity profile. There have been significant successes in the transformation of social and demographic composition of the student body but the same cannot be said for the staff complement. In particular it has proven problematic in attracting and retaining Black academic staff.
- To address student financial aid. There are many academically talented young people who come from poor, rural and working class communities who cannot afford university education. The National Student Financial Aid Scheme (NSFAS) cannot meet the demand for financial assistance.
- To help stabilise our Municipality to ensure provision of basic services such as water, sanitation and electricity.
- To attend to the infrastructure maintenance backlogs.
- To modernise our systems, protocols, procedures and processes.

The weakening rand/dollar exchange rate is making our library acquisitions and subscription to electronic resources unaffordable.

## RHODES UNIVERSITY

### REPORT OF THE VICE-CHANCELLOR (CONTINUED)

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Financial Aid for academically talented but financially needy students remains a significant challenge. These students rely on the National Student Financial Aid Scheme (NSFAS). The demand for financial aid far outstrips the available resources. Our University has invested significant amounts of Council funds with NSFAS to provide financial support to the needy students. At the moment, Rhodes is owed in excess of R156m by NSFAS in funds that should have been collected from students who received Rhodes University financial aid. Given the 'grand challenges' facing the University, Rhodes has reached a ceiling in its contribution to student financial aid. The down side of this is that many deserving young people from poor, rural and working class communities will not be able to access the quality educational experience on offer at Rhodes.

#### *Infrastructure projects*

The Division of Infrastructure & Operations is responsible for planning and implementing all University's infrastructure projects. The IPC Infrastructure sub-committee considers all requests relating to infrastructure and its maintenance and makes recommendations to IPC.

Provision of the best academic infrastructure, equipment and facilities to support our academic project is vital if we are to retain our status as the best undergraduate university with excellent research outputs.

During 2014, a number of major roof repairs were undertaken. In addition, four major building projects were undertaken.

- Cullen Bowles was refurbished to the tune of R15.6 million;
- Construction of the new R120m Life Sciences Complex continued;
- Construction of the new R31m School of Languages building commenced;
- Construction of a new postgraduate residence commenced;
- Construction of a new undergraduate residence was completed.

#### *Management and administration of operations*

Rhodes University is a well-managed, well-run and well-administered institution. There are a number of structures that facilitate and support the management and administration of our University and create space for addressing both strategic and operational issues.

- The Senior Executive Team (i.e., the Vice-Chancellor, Deputy Vice-Chancellor: Academic & Student Affairs, Deputy Vice-Chancellor: Research & Development, Registrar and Executive Director: Infrastructure, Operations & Finance) which meets on a weekly basis;
- The Academic Leadership Forum (i.e., the Senior Executive Team, 6 Faculty Deans, Dean: Teaching & Learning, Chairperson of the Heads of Department Forum) which meets on a regular basis;
- The Senior Administrative Management (i.e., the Senior Executive Team, Executive Director: Infrastructure, Operations & Finance, and Directors of Support Divisions) which meets on a regular basis;
- Joint meetings of the Academic Leadership Forum and Senior Administrative Management which takes place on an occasional basis;
- The Budget Executive Committee (i.e., the Vice-Chancellor, Deputy Vice-Chancellor: Academic & Student Affairs, Deputy Vice-Chancellor: Research & Development, Registrar and Executive Director: Infrastructure, Operations & Finance, Director: Finance, Deputy Director: Finance (in attendance), Two representatives of the Deans Forum) which meets regularly;
- The Deans' Forum (a forum of all academic Deans and the Dean: Teaching & Learning) which meets regularly;
- HoD Forum which meets regularly;
- The Middle Management Forum which meets regularly.

**RHODES UNIVERSITY**

**REPORT OF THE VICE-CHANCELLOR (CONTINUED)**

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*Conclusion*

I assumed responsibility as Acting Vice-Chancellor of Rhodes University on 01 July 2014. Following the outcome of the selection process, I assumed the role of Vice-Chancellor of Rhodes University on 01 November 2014. I wish to thank our Council, the Senior Executive Team (Deputy Vice-Chancellor: Research & Development, Acting Deputy Vice-Chancellor: Academic & Student Affairs, Registrar, Executive Director: Infrastructure, Operations & Finance), the Deans, Senate, Academic and Support staff and students for their support, guidance and advice as we managed the transition in leadership. Rhodes University is an intellectually stimulating and vibrant space and is deeply committed to playing its role in creating a better society and a better world. I am pleased to report that the leadership of this University made significant advances in the goals and objectives set for 2014 and achieved and, in some cases, exceeded the performance objectives set for 2014. I wish to record sincere appreciation to my colleagues in the Senior Executive Team, Deans, Heads of Department, Directors of divisions, managers, academic and support staff and student leaders for their contribution in making 2014 a very successful academic year for Rhodes University.



**DR S MABIZELA**  
**VICE-CHANCELLOR**  
19 June 2015

## RHODES UNIVERSITY

### REPORT OF THE CHAIR OF THE FINANCE COMMITTEE OF COUNCIL

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#### **Budget Principle and Financial Sustainability**

The Rhodes University budget process is an open process in which any member of the University community may attend. The fundamental principle guiding the establishment of the annual budget is that of a break-even budget. Deficit budgeting is not entertained.

Within the parameters of the budget, a conservative financial management style is adopted to ensure that recurrent operations and obligations are financed and that adequate funding, even if it may be modest, is available to support strategic priorities and initiatives. Capital expenditure takes place within the strategic objective framework of the University, and is constrained by affordability within the budget. Rhodes University currently does not make use of debt financing.

#### **Financial Management**

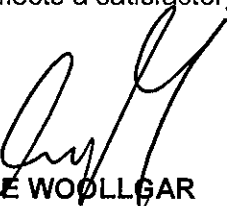
Financial management at Rhodes University is meticulously controlled in order to ensure that the University is provided with the financial resources needed to meet its obligations and objectives, through good practice, stewardship and forward planning.

#### **2014 Financial performance**

The success of this management style was again evident in 2014 when operating budget objectives were fundamentally achieved. A slower but still improved investment environment provided for sound growth on long term investments (which are managed by the University's Board of Governors) and also allowed for further easing on financial support necessary to protect employee benefit programs. As a result, R116 million was added to the equity funds of the University with growth reflected in both Council-managed and Council-directed funds.

The growth in student enrolments from disadvantaged and working class backgrounds has increased pressure on student funding income. This growth has been achieved through a significant contribution from the University's own funds and supplemented by NSFAS funding to support students from working class families. Poor recovery of these funds, and particularly those administered by NSFAS is resulting in a major drain on University funds with collections proving to be extremely problematic. In the interests of financial prudence the University has provided for a further impairment of R26.4 million to address the risk on collections. This provision is possible because of accounting gains flowing from the annual assessment of the post retirement schemes.

Further growth on research and related activities was achieved as a result of strong emphasis in these activities as well as on the university residential operations which are a major component of the University's structure. Both components have again provided a positive contribution towards University funds. While the academic climate in which universities are finding growth and student support more challenging, this report reflects a satisfactory result from sound and proven financial management at Rhodes University.



**N E WOOLLGAR**  
**CHAIR: FINANCE & GENERAL PURPOSES**  
**COMMITTEE**



**DR I L'ANGE**  
**EXECUTIVE DIRECTOR:**  
**INFRASTRUCTURE, OPERATIONS**  
**& FINANCE**

19 June 2015

## **RHODES UNIVERSITY**

### **COUNCIL'S REPORT ON GOVERNANCE**

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The purpose of this statement is to provide readers of the Annual Report with an understanding of the governance structures and procedures adopted by the Rhodes University Council.

The Council of Rhodes University is committed to serving the best interests of the university. It is committed to the principals of discipline, transparency, independence, accountability, responsibility, fairness and social responsibility, as advocated in the King Report on Corporate Governance. The Council is aware of its role and responsibilities in governing the institution in a responsible manner, with integrity and in accordance with generally accepted practices.

#### **Council**

The Council comprises thirty members who are elected in the manner prescribed by the Institutional Rules, the Rhodes University Statute and the Higher Education Act, No 101 of 1997. At the end of 2014 one vacancy existed for a nominee of the Minister of Higher Education and Training as one of the five persons appointed by the Minister during the year failed to take up her position. Sixty percent of the members of Council are external members i.e. neither staff nor students of the university. No Council members are remunerated for their services to the University. The Chairperson and the Vice-Chairperson are elected from the external members.

The functions of the Council are set out in the University Statute (Government notice 234 of 15 March 2005) and in terms of the Higher Education Act. The Council is responsible for the ongoing strategic direction of the university, the approval of all policies which guide the management of the institution, for the allocation of the university's resources and the oversight of its finances. The Council receives regular reports from management on the day-to-day operation of the university.

The Council meets regularly, as prescribed by the Statute, and has in place the necessary sub-committees to ensure sound governance. These include an Executive Committee, a Finance and General Purposes Committee, a Remuneration Committee, an Audit Committee and a Nominations Committee.

The Council interacts regularly and in the manner prescribed in the Act and Statute with the other governance structures of the University, the Senate, Institutional Forum and the SRC.

#### **Executive Committee**

The Executive Committee acts for Council whenever instructed to do so by Council and it acts on behalf of Council in an emergency in any matter other than those which, in terms of the Statute, Council may not delegate. The Chairperson of Council is the chairperson of the committee and the other members are the Vice-Chairperson of Council, the Vice-Chancellor, four external members of Council and one member of Council elected to Council by Senate. The Registrar, who is the secretary, is in attendance.

#### **Remuneration Committee**

The Remuneration Committee's mandate includes recommending to Council remuneration practices and policies, reviewing and making recommendations on remuneration levels, determining the remuneration and benefits of executive and senior management, approving mandates for annual institutional remuneration increases and determining conditions of service. The Committee has five members, four of whom are external members and the Vice-Chancellor. The Committee is chaired by an external member of Council.

## **RHODES UNIVERSITY**

### **COUNCIL'S REPORT ON GOVERNANCE (CONTINUED)**

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#### **Finance and General Purposes Committee**

In terms of its mandate, the Finance and General Purposes Committee advises Council on all matters involving the finances and property of the university, monitors performance in relation to operating and capital budgets and acts on behalf of Council when instructed by Council to do so. It ensures that the accounting records of the institution are accurately maintained and that the university is in a sound financial position. The majority of members including the chairperson are external members of Council.

#### **Audit Committee**

The functions of the Audit Committee are set out in detail in its charter but its primary functions are to ensure good governance, sound financial reporting, the appointment of auditors, proper procedures and control for the safeguarding of assets, good systems of internal control and effective financial management and control of the finances of the university. Four of the five members of the Audit Committee are external members of the Council and the fifth is an expert in the field who is also external but not a member of Council. Neither the chairperson of Council nor the Vice-Chancellor is a member. The Vice-Chancellor, the Executive Director: Infrastructure, Finance & Operations, the Director of Finance, the University Risk Manager and the external auditors are in attendance. A representative of the Auditor-General's Office attends in an "in attendance" capacity.

#### **Code of ethics**

The university Council has adopted a code of ethics and the university has written codes of ethics which relate to research protocols and student behaviour. Procurement practices commit the institution to the highest standards of integrity, behaviours and ethics and a new comprehensive procurement policy for the institution is currently being approved by the relevant university structures for final presentation to Council in mid 2015. Members of Council are not permitted to have a conflict of interest with the University. The Council has approved a code of conduct to which all members of the Council, all members of committees of the Council and all other persons who exercise functions of the Council in terms of delegated authority must subscribe, as contemplated in the Higher Education Laws Amendment Act, 2011.

#### **Council Nominations Committee**

This membership committee, comprising the Chairperson of Council and the Registrar, makes recommendations to the Council for vacancies in the Council membership, after wide consultation with Council members, and for the appointment of Council members to the committees of Council.

#### **Conflict management**

During the year under review it has not been necessary for the Council to call upon the services of mediation, arbitration or dispute resolution practitioners.

#### **Employee and student participation**

Employees and students have more than adequate representation on committees which deal with issues which affect employees and students directly or materially. Liaison meetings are held regularly between management and the two trade unions represented at the University.



**Mr Vuyo Kahla**  
**CHAIR OF COUNCIL (2014)**

19 June 2015

### Introduction

The requirement for Universities to submit a sustainability report as part of the annual report is a new requirement of the 2014 amendment to the Higher Education Act pertaining to the regulations for reporting by public higher education institutions. The guidelines provided in the implementation manual that forms part of the amended legislation signal that Universities are required to move towards triple bottom line reporting. Discussions and consultation with other institutions and the University's auditor, PwC, indicate that this requirement is very much a work in progress across the sector, and that more detailed guidelines will have to be developed by the Department of Higher Education and Training. This is therefore a brief, overview report in line with the guidance provided.

The definition and understanding of sustainability used as the basis or foundation for this report is as articulated by the Brundtland Commission, formally the United Nation's World Commission on Environment and Development:

"Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs".

a. Impact on the local economy

The University's Department of Economics & Economic History has determined that Rhodes University comprises some 60% of the GDP of Makana municipal area. Some of the key factors contributing to this high proportion are:

- Rhodes University contributes on average R30 million per annum in municipal services payments;
- The University is by far the biggest employer in the region. This is underpinned by the University's commitment to "in-sourcing" support services such as cleaning, catering and facilities maintenance for social justice reasons – the local economy will be crippled should the University outsource these services;
- The University has committed itself in its recently revised procurement policy to strive to procure goods and services locally.

b. Social impact and transformation

In his inauguration address the new Vice Chancellor stated that Rhodes University must actively and purposively contribute to and participate in building a vibrant and sustainable Grahamstown community, and that the University recognizes and affirms that its future and success is inextricably bound to the future and success of the greater Grahamstown community and that it is deeply and intimately connected with the local community. Rhodes University declares unequivocally that the University is not just *in* Makana but is also *of* and *for* Makana. To this end he has committed Rhodes University to:

- a. work with and alongside all levels of government to support the Municipality to fulfill its constitutional mandate for the benefit of all citizens of Makana;
- b. Establishing and fostering partnerships with stakeholders to address the enormous discrepancies in basic education schooling standards encountered in Grahamstown;
- c. Establishing Grahamstown as a wireless city in order to make the information and resources of the internet available to as many of the citizens of Makana as possible.

c. Financial sustainability

The University is in the process of establishing an institutional development plan that will provide a "compass" for the strategic direction the University will take for the next ten years. This direction will be informed by a financial sustainability plan that is in the process of being developed.



d. Student numbers

Detailed student statistics are provided elsewhere in this Annual Report. It is worth noting here however the level of the University's commitment to making the University accessible to students from poor and working class backgrounds. Over the past ten years, the University has provided R214,4 million of its own funds (over and above the NSFAS allocation) to students requiring financial assistance. The recovery rate of these funds through NSFAS acting as an agency has not been successful, and the University is exploring other avenues to ensure the sustainability of this funding provision.

e. Academic staff

The Department of Higher Education & Training has estimated that South Africa will be short of some 7000 academics by 2020. Arising out of its own experiences of the difficulty in appointing and retaining academic staff in certain disciplines, Rhodes University has developed a Staff Accelerated Development Program using Mellon and Kresge funding in order to "grow its own timber". This model has formed the basis of the national nGAP (new generation of academics program) developed by the DHET to address this issue nationally. Rhodes University submitted applications for fifteen nGAP positions but disappointingly only three have been awarded. Given this difficulty as well as the demands of transformation, the sustainability of the academic project at both institutional and national levels is at severe risk.

f. Environmental sustainability

Rhodes University is one of five South African universities to sign the Talloires Declaration in 1996 that commits the University to practicing and promoting environmental literacy. The University's Environmental Sustainability Policy of 1998 is currently under review, and aims to promote environmental sustainability best practice within the ambit of the University's resource constraints. The University has also established a Green Fund to support learning and practice in respect of water, energy, waste, carbon footprint, biodiversity, green buildings, responsible purchasing, sustainable travel and sustainability education. New buildings on campus are designed to be as 'green' as possible (rain water harvesting, heat pumps, natural lighting and temperature control, motion sensors etc).

Rhodes University is therefore committed to resolutely pursue knowledge, understanding, critique and reason; to steadfastly continue to promote human dignity, equality, non-sexism and non-racialism, critical citizenship and all the human rights and freedoms that our Constitution proclaimed, and to courageously and boldly to protect and assert the core values and purposes of a university, including advancing the public good, academic freedom, institutional autonomy and public accountability in ways that are sustainable, responsible and planned.



Vuyo Kahla  
Chair of Council

## **RHODES UNIVERSITY**

### **REPORT OF SENATE**

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#### **REPORT OF SENATE**

It is a feature of the Rhodes University Senate that it is a fully functional and well attended body that has wide representation. It gives strong academic leadership through strategic input on matters pertaining to teaching, learning and research, and through close scrutiny of the academic processes and their implementation.

The Senate has an excellent relationship with the Vice-Chancellor and affords him much support and guidance. Every Senate agenda includes a Vice-Chancellor's report and these lead to informed and insightful discussion between the Vice-Chancellor and his senior academic colleagues.

During 2014 the Senate met on six occasions:

4 April

30 May

5 September

23 September (Special meeting)

24 October

21 November

#### **Composition of the Senate**

The composition of the Senate is as follows:

- (a) The Vice-Chancellor
- (b) The Deputy Vice-Chancellors
- (c) The Professors
- (d) The Registrar
- (e) The Director of Library Services
- (f) Two members of the Council elected by the Council
- (g) Six members of the academic staff elected by the academic staff
- (h) The Heads and acting Heads of Department
- (i) Five students elected by the SRC
- (j) The Heads of Associated Institutes who are not Professors of the University
- (k) Two members of the administrative and support staff elected by the administrative and support staff

The composition of the Senate complies with the requirement set out in the Institutional Rules that the majority of Senate members must be academic staff.

#### **Academic structures**

A Unit of Zimbabwean Studies was formed in the Sociology Department.

The Rhodes School of Biotechnology was dissolved.

## RHODES UNIVERSITY

### REPORT OF SENATE (CONTINUED)

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#### Significant developments

- Noted that two academics had been found guilty of plagiarism and academic fraud.
- Noted a further grant from the Mellon Foundation for studies in the Humanities.
- Approved the process for the recruitment and selection of a Vice-Chancellor.
- Approved a policy on the Evaluation of teaching & Course Design.
- Approved the recommendations regarding the review of the Dean of Students Division and approved the formation of a new Student Services Division.
- Approved a new Language Policy.
- Approved the establishment of a Rhodes University Quality Enhancement Project Committee.
- Approved a protocol for the election of Deputy Deans.
- Approved amendments to the Higher Degrees Guide regarding submission of a thesis without the approval of the supervisor.
- Approved a selection and recruitment policy for Hall and House Wardens.
- Approved a selection and recruitment policy for residence Sub-wardens.
- Noted the HR scorecards.
- Approved a Staff Development policy.
- Approved a common Faculty Policy on Plagiarism.
- Approved a Space Allocation policy.
- Approved amendments to the Student Disciplinary Code.
- Approved terms of reference for a Senate Disability Committee.
- Approved a revised Support Staff Leave Policy.
- Unanimously approved a recommendation of a selection committee that Dr Sizwe Mabizela be appointed Vice-Chancellor.
- Approved a policy for High Profile Guests and Political Activity on campus.
- Noted that the Business School had received AMBA accreditation.
- Noted the proposed budgets for the University and the Residences for 2015.

#### Composition and size of the student body

The tables below illustrate the composition of the student body in 2014. They also indicate the very pleasing and generally improving success rates and the significant progress in addressing student access and equity.

<b><u>Race</u></b>	<b><u>2012</u></b>	<b><u>2013</u></b>	<b><u>2014</u></b>
African	3877	4048	4169
Indian	289	304	365
Coloured	284	280	296
White	2945	2853	2682
<b>TOTAL</b>	<b>7395</b>	<b>7485</b>	<b>7512</b>

<b><u>Degree</u></b>	<b><u>2012</u></b>	<b><u>2013</u></b>	<b><u>2014</u></b>
	<b><u>Success Rate</u></b>		
Bach	86	85	86
4year	90	88	90
PG Dip	93	88	86
Hons	89	89	92

## RHODES UNIVERSITY

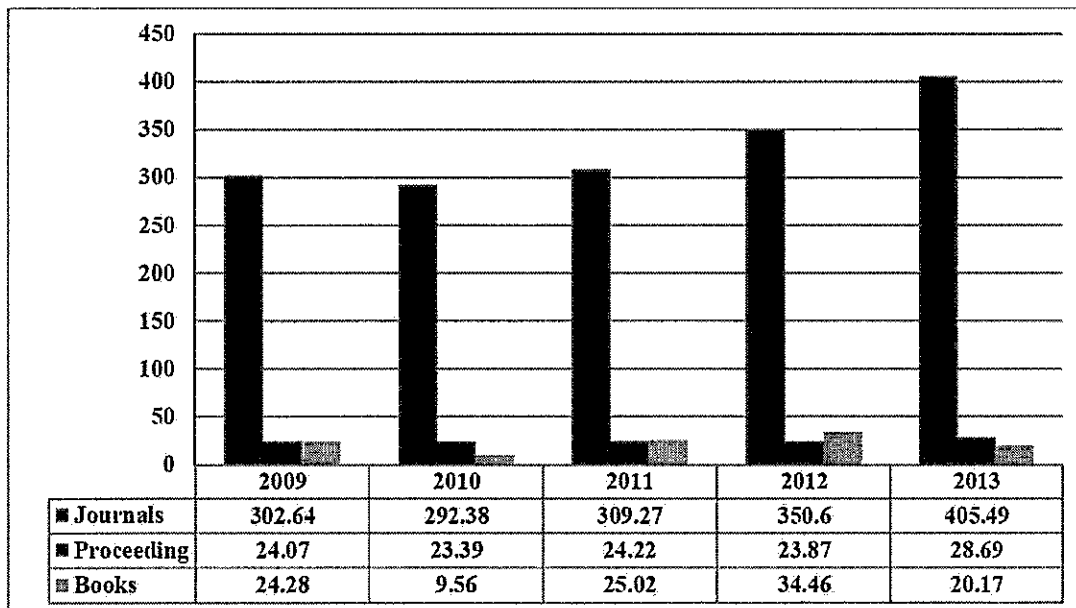
### REPORT OF SENATE (CONTINUED)

#### Research

Rhodes University showed a gratifying increase in overall accredited research outputs in the 2014 audited returns, based upon 2013 graduations and publications. The total accredited output count rose by 10.8 % on publications, and by 12.4% overall when thesis graduating students were added into the mix, resulting in a total accredited unit count of 874.35 (as opposed to 777.68 the previous year).

The university's doctoral graduates were well up to 210 weighted units for DHET audit purposes (it was a record year), and masters graduates were up to 210 subsidy units (another record). Journals, which account for most of Rhodes University's publication outputs, experienced a bumper year (405.49 units, as opposed to 350.6 the previous year which had itself been a bumper result). The proportion of journal publications appearing in international indices, an international competitiveness indicator, was 87%, the highest in the sector. Books and conferences are always much smaller unit contributors by comparison, and there is significant variance on these outputs from year to year as the base is low. Conferences were up (a 20% increase – the previous year had seen a decrease) and books significantly down (a 43% decrease – they had increased by a similar amount in the previous year). The gratifying aspect in these two categories is that the submission rejection rate went down once again, which can be attributed primarily to improved submission processes on the part of the university (Journals 100% approval rate, books 95% approval rate, conference proceedings 88% approval rate).

**Figure: Rhodes University research output totals by type of publication, 2009-2013**



Rhodes contributed 3.2% of all accredited research output in the public higher education sector in 2013 (as opposed to 3.3% the year before), which will result in its share of the DHET research subsidy pie decreasing slightly in 2015. With 1.9% of academic staff in the system, Rhodes retained its place amongst the top three most productive universities as measured by accredited publications per academic. The per capita overall weighted outputs (including research masters and doctorate graduations) rose from 2.31 to 2.49 accredited outputs per academic staff member, driven primarily by the record number of PhD graduates and the bumper journal output result. This figure exceeds the DHET norm by a very large margin, and makes Rhodes one of only 6 universities to exceed the conventional universities norm of 1.42. Rhodes continues to have one of the highest proportions of academic staff with doctoral degrees among South African universities (56% in this DHET audit cycle, whereas it was recorded as 50.9% in the previous year - the recorded year on year variation is primarily due to adjustments in how HEMIS scoped the included academic population).

## RHODES UNIVERSITY

### REPORT OF SENATE (CONTINUED)

The range of research activities was maintained and grown across the six faculties at Rhodes University of Humanities, Science, Commerce, Pharmacy, Law, and Education, and within the research entities hosted on the Rhodes campus (please refer to <http://www.ru.ac.za/research> for details). Many research and creative outputs of significance were produced which did not contribute to the university's subsidy income, but contributed much to the scholarly and creative reputation of the institution.

External Research Income (*new grants in the financial report*) from sources other than the DHET for the period January to December 2014 rose to reach R209 million.

The University has become increasingly reliant on research funding in recent years as a larger proportion of its budget, and attention at university council level is being given to ensuring that appropriate systems and support structures for researchers are in place.

#### Tuition fees

Tuition and residence fees in 2014 were 9% higher than in 2013.

The fees are set by way of an inclusive budget process which is characterised by active student participation.

#### Access to financial aid

Funding for undergraduate financial aid in 2014:

	2012 R'000	2013 R'000	2014 R'000
NSFAS	28 465	32 459	35 053
Rhodes Council	26 374	27 848	31 112
Total	<u>54 839</u>	<u>60 307</u>	<u>66 165</u>
Number supported	925	932	949

The extent of the funding that Rhodes provides from its own Council funds is very significant as it indicates the extent to which the NSFAS funding is inadequate. Rhodes awards NSFAS funds and RU Council funds on exactly the same basis by using the NSFAS means test. Given the proposed radical changes to the NSFAS scheme and the provisions of the National Credit Act (the University is not a credit provider), it remains unclear how the RU Council funds would be administered once the NSFAS changes are implemented. Rhodes has received no formal communication from NSFAS about the new scheme and is seriously concerned about the possible implications for the Institution.

A second matter of concern is the very low recovery rate of RU Council loans by NSFAS.

The full amount for 2014 for bursaries and scholarships was:

	R'000
By the University from outside funders or from own funds	54 206
Outside funding directly to students	28 691
Provincial Government funding directly to students	16 092
Post graduate Rhodes Council loans	424
Postgraduate NSFAS funds	2 562
Undergraduate NSFAS funds	35 053
Council funding to supplement NSFAS	<u>31 112</u>
TOTAL	<u>168 200</u>



**DR S MABIZELA**  
**VICE-CHANCELLOR**

19 June 2015

## RHODES UNIVERSITY

### REPORT OF THE INSTITUTIONAL FORUM OF THE COUNCIL

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#### Composition of the Institutional Forum

Professor R Bernard *Council*  
Ms J Sewry *Council*  
Dr S Matthews *Senate*  
Dr S Nsengiyumva *Senate*  
Dr S Mabizela *Management*  
Dr S Fourie *Management*  
Mr B Bense *SRC President*  
Mr V Mafuku *SRC VP*  
Ms G Moyo *SRC Secretary General*  
Mr T Thudinyane *SRC Treasurer*  
Mr S Makhubo *SRC Academic*  
Ms M Maponya *SRC Community Engagement*  
Mr L Zungu *SRC Activism & Transformation*  
Mr C Farirayi *SRC Oppidan*  
Mr T Mapuranga *SRC Student Benefits*  
Ms B Tshabalala *SRC Residence*  
Mr A Vena *NEHAWU*  
Mr R van Rooyen *NTEU*  
t.b.a. *Non-professorial staff rep.*  
t.b.a. *Non-professorial staff rep.*  
Mr P Ranchod *Community (Makana Municipality)*  
t.b.a. *Community (Makana Municipality)*  
One representative from the following:

- Equity & Institutional Culture – Ms N Nhlapo
- CHERTL – Professor L Quinn
- Oppidan – Ms S Timothy
- PGLSC - Ms C Ryan
- GENACT – Ms S Smailes

#### Scheduled meetings for 2014

28 March 2014  
24 May 2014  
15 August 2014  
16 October 2014

#### Recent history of the Forum

In 2012 the Institutional Forum revisited its mandate with the result that the Forum resolved that in addition to discharging its statutory responsibilities, such as advising the Council on the implementation of the Higher Education Act or the appointment of senior management, the Forum would order its work in such a way as to advise the University Council on issues such as race and gender equity policies, codes of conduct, mediation, and dispute resolution procedures; and fostering an institutional culture which promotes tolerance and respect for fundamental human rights and creates an appropriate environment for research, teaching and learning. In that year all scheduled meetings of the forum took place.

In 2013 and again in 2014 the forum met only twice a year. The cancellation of the meetings in both years was due to a lack of business on the agendas. In 2014 the 24 May and 15 August meetings were cancelled.

**Meeting of 28 March 2014**

The major item of business was to consider a process for the recruitment and selection of a Vice-Chancellor and Principal. The Chair outlined the process for the Recruitment and Selection of a Vice-Chancellor or Principal, and stressed the importance of the Institutional Forum as it was a legislative requirement that it be consulted when a decision of this magnitude was required. The process was based on that used on the occasion of the appointment of the previous Vice-Chancellor with some changes to the process and the composition of the selection committee suggested by the Executive Committee of Senate. The Institutional Forum approved both the suggested process and the composition of the selection committee.

This unanimous support of the Institutional Forum facilitated a smooth and uncontentious selection of a new Vice-Chancellor. This was in contrast to previous selections of Vice-Chancellors and confirms the importance of the Institutional Forum as a mechanism for dealing with contested issues in a way that takes on board all sectors within the institution.

The Forum noted a report from the Director: Equity and Institutional Culture and congratulated her on the extensive work she had put in during her short time in office.

The Forum reviewed minutes of the Gender Action Forum, the Employment Equity and Institutional Culture Committee, the Language Committee, the Teaching and Learning Committee and the Research Committee. This was consistent with the recently revised mandate for the Forum but the review did not result in any significant concerns being expressed or recommendations being made.

**Meeting of 16 October 2014**

The Forum received a report from the Acting Vice-Chancellor. The significant matter mentioned was that the University management had met with representatives from the Provincial Government regarding the role that the University could play to ensure that Makana Municipality operated at optimal capacity. Working groups had been set up in this regard.

A report was tabled by the Director: Equity and Institutional Culture. Highlighted matters included information on the second draft of the Institutional Transformation Plan; an upcoming HoDs equity workshop; and, that an Institutional Culture Survey had been successful with data generated for dissemination within the University.

The minutes from various committees were again scrutinised but, once again, the Forum did not engage in any meaningful way with the content. Discussion about whether or not the Forum was still relevant was requested for the next meeting.

**Review**

It is apparent from the above, the failure of two meetings and the ongoing discussion about its role that the Forum itself and the University continues to grapple to find a meaningful role for this statutory body. However, the #RhodesMustGo campaign will give the Forum a new and important role in 2015.

**RHODES UNIVERSITY**

**REPORT OF THE INSTITUTIONAL FORUM OF THE COUNCIL (CONTINUED)**

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**Chairperson of the Institutional Forum**

The Institutional Forum elects from among its members a chairperson who serves from the end of one ordinary meeting to the end of the next ordinary meeting. If a chairperson is absent, the first item of business at the meeting is the election of a chairperson.



**Mr Mzuzile Lunke**  
**NTEU Representative**  
**CHAIRPERSON (ROTATIONAL)**  
19 June 2015



## RHODES UNIVERSITY

### REPORT ON INTERNAL ADMINISTRATIVE/OPERATIONAL STRUCTURES AND CONTROLS

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Rhodes University has implemented systems of internal control which are designed to provide reasonable assurance to the University and the Council that an operational environment is created and maintained which promotes the safeguarding of the University's assets and the preparation and communication of reliable financial and other information.

These systems of internal control include documented organizational structures which set out the division of responsibilities and establish policies and procedures that are supported by careful selection, training and development of the financial staff of the University.

The Council of the University has also appointed the Audit Committee to review governance and provide oversight over the systems of internal control and financial management and reporting. During the year a major review of policies and procedures around the procurement cycle were completed and systems strengthened where necessary, supported by appropriate delegation of authorities as approved by Counsel.

The Information Systems have been developed and implemented according to defined and documented standards to achieve efficiency, effectiveness, reliability and security. Generally accepted standards are applied to protect privacy and provide controls over all data, including disaster recovery and "back-up" procedures. As a result of increasing reporting and compliance requirements, particularly from Government, it has become clear that data compilation requires increased attention. The University has embarked upon a review of the capability of the Information Systems to support their needs. Supporting this review is a systematic appraisal of business processes and systems to identify processes and systems that have become cumbersome, outdated or inadequate. Business processes and data flow are being evaluated and, where necessary, systems will be modernised or improved.

Internal controls and information systems are audited by the external auditors on an annual basis to ensure that the system controls were effective throughout the financial period under review. Transactions with staff, students and third parties receive close scrutiny for control aspects. Procedures that are in place are continually reviewed to minimize the risk of fraud or error.

The University has embarked on a process of formal risk management. This process involves the identification of strategic and operational risks, the rating of these risks and the development of strategies to assist in the management of the institution to mitigate the risks which include the maintenance of effective systems of internal control.

Registered auditors, independent of the external auditors, perform selected internal audit assignments under guidance of the Audit Committee and report findings and recommendations to this Committee of the Council. Corrective actions are taken to address control deficiencies and systems are continuously assessed to identify opportunities for improvement.



**DR B S RAYNER**  
**CHAIR: AUDIT COMMITTEE**

19 June 2015

## RHODES UNIVERSITY

### REPORT ON ENTERPRISE RISK MANAGEMENT

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During 2014 the University's Risk Management Committee met three times.

The Risk Management Committee, which comprises the Vice-Chancellor, the two Deputy Vice-Chancellors, the Registrar, Director of Special Projects and the Executive Director: Infrastructure, Operations and Finance, and is serviced by the Risk Management Unit, reviews all risks (financial and non-financial), and ensures that all risks are listed in a central risk register within the Risk Management Unit. Significant risks and exposures are reported to the Audit Committee.

The model and strategy of Risk Management adopted avoids locating all responsibility within the Risk Management Unit and relies on the submissions and disclosure of risks by senior management making them individually, collectively and ultimately responsible for identifying risks and being accountable for managing the risks within their operational areas.

During the current year, in conjunction with aligning the requirements of the Annual Performance Plan and the institutional risk register, listed risks were reviewed and all those rated as medium to high have been categorized under the following headings: Reputation, Finance, Human, Information Technology, Procurement and Compliance. The framework and key features of the risk management system is outlined and publicised on the University's web page.

Specific attention has been given to The King III diagnostic tool, as formulated and compiled by Price Waterhouse Coopers, and after further scrutiny by the Registrar has been handed over to the Risk Management Committee for any further action to ensure compliance. A review has also been carried out on the security processes and practices at Rhodes and recommendations are before the Risk Committee for consideration and further action.

The Safety, Health & Environment Committee of the University reports into the Risk Management Unit. This ensures that all issues and concerns relating to safety, health and environment feed into the Risk Management Committee and ultimately to the Audit Committee if required.

The Risk Management Unit, as custodian of whistle blowing, is tasked with reporting, and where required, investigating any reported allegations of corruption, theft and fraud. Investigations are undertaken when requested by the Vice Chancellor. During the year under review two investigations were undertaken and concluded. Council and the Audit Committee were appraised of the result.

The University is committed to a continuous, systematic and integrated process of University-wide risk management that enables the Council to assure stakeholders that risk within and to the university is managed in a diligent, methodical and substantive manner.



**DR B S RAYNER**  
CHAIRPERSON  
AUDIT COMMITTEE



**DR S MABIZELA**  
CHAIRPERSON  
RISK MANAGEMENT COMMITTEE

19 June 2015

## RHODES UNIVERSITY

### COUNCIL'S STATEMENT OF RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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The Council is responsible for the preparation and fair presentation of the financial statements of Rhodes University. The financial statements, presented on pages 62 to 98 have been prepared in accordance with International Financial Reporting Standards ("IFRS") in the manner required by the Minister of Education in terms of section 41 of the Higher Education Act, 1997 (Act No. 101 of 1997), as amended, and include amounts based on judgements and estimates made by management.

The Council also prepared the other information included in the Annual Report and is responsible for both its accuracy and consistency with the financial statements. The current viability of Rhodes University is supported by the financial statements.

The "going concern" basis has been adopted in the preparation of the financial statements. The Council has no reason to believe that the University will not be a "going concern" in the foreseeable future based on forecasts and available cash resources.

The financial statements have been audited by the independent audit firm, PricewaterhouseCoopers Inc, which was given unrestricted access to all financial records and related data, including minutes of meetings of the Council and all its committees.

The Council believes that all representations made to the independent auditors during their audit were valid and appropriate.

### APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

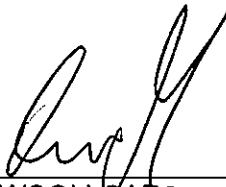
The consolidated financial statements on pages 62 to 98 were approved by the Council on 19 June 2015, and signed on its behalf by:




MR V D KAHLA  
CHAIR OF COUNCIL



DR S MABIZELA  
Vice-Chancellor



MR N E WOOLLGAR  
Chair: Finance & General Purposes Committee



DR I L'ANGE  
Executive Director: Infrastructure, Operations  
& Finance



## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COUNCIL OF RHODES UNIVERSITY AND ITS SUBSIDIARIES

### REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

#### Introduction

We have audited the consolidated annual financial statements of Rhodes University and its subsidiaries (the "University") as set out on pages 62 to 98 which comprise the consolidated statement of financial position as at 31 December 2014, the consolidated statement of comprehensive income, statement of changes in funds and statement of cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

#### Council's responsibility for the consolidated financial statements

The Council is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards and the requirements of the Higher Education Act of South Africa (no. 101 of 1997), and for such internal control as the Council determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

#### Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Public Audit Act of South Africa, the *General Notice* issued in terms thereof and International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the University's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

#### Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Rhodes University and its subsidiaries as at 31 December 2014, and their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Higher Education Act of South Africa.

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PricewaterhouseCoopers Inc., Ascot Office Park, 1 Ascot Road, Greenacres, Port Elizabeth 6045  
P O Box 27013, Greenacres 6057  
T: +27 (41) 391 4400, F: +27 (41) 391 4500, www.pwc.co.za

Africa Senior Partner: S P Kana

Management Committee: H Boegman, T P Blandin de Chalaïn, B M Deegan, J G Louw, S N Madikane, P J Molhibe, T D Shango, S Subramoney, A R Tilakdari, F Tonelli  
The Company's principal place of business is at 2 Eglin Road, Sunninghill where a list of directors' names is available for inspection.  
Reg. no. 1998/012055/21, VAT reg.no. 4950174682.

## REPORT ON OTHER REGULATORY REQUIREMENTS

In accordance with the Public Audit Act of South Africa and the general notice issued in terms thereof, we report the following findings on the reported performance information against predetermined objectives for the selected objectives presented in the annual report, non-compliance with legislation as well as internal control. We performed tests to identify reportable findings as described under each subheading but not to gather evidence to express assurance on these matters. Accordingly, we do not express an opinion or conclusion on these matters.

### Predetermined objectives

We performed procedures to obtain evidence about the reliability of the reported performance information presented in the Report of Chair of Council as set out on page 3 to 27 of the Annual Report of the University for the year ended 31 December 2014. We evaluated the reported performance information against the overall criteria reliability. We assessed the reliability of selected reported performance information to determine whether it was valid, accurate and complete. We did not raise any material findings in respect of the reliability of the reported performance information.

### Compliance with legislation

We performed procedures to obtain evidence that the University had complied with legislation regarding financial matters, financial management and other related matters. We did not identify any instances of material non-compliance with specific matters in the Higher Education Act of South Africa.

### Internal control

We considered internal control relevant to our audit of the financial statements and compliance with legislation. We did not identify any significant deficiencies in internal control.

## OTHER REPORTS

### Agreed-upon procedures engagements

As required by the funding agreements of the following entities, agreed-upon procedures engagements were conducted during the year under review as indicated below:

Engagement Name	Purpose of Engagement	Period Covered	Reporting Date
Department of Higher Education and Training – Student Statistics	Performance of procedures required by the Department of Higher Education and Training relating to the HEMIS submission	1 January 2013 to 31 December 2013	1 July 2014
Department of Higher Education and Training - Infrastructure Funding Progress Report	Agreeing of expenditure to contracts and supporting documentation.	1 February 2013 to 31 January 2014	12 March 2014
Department of Higher Education and Training - Financial data Submission	Agreeing of financial data to the Financial Statements.	1 January 2013 to 31 December 2013	25 June 2014
Department of Higher Education and Training – Clinical Training	Agreeing of expenditure to contracts and supporting documentation.	1 February 2013 to 31 January 2014	20 March 2014

Engagement Name	Purpose of Engagement	Period Covered	Reporting Date
Department of Higher Education and Training – Research Articles	Agreeing research articles claim to supporting journals and publications	1 January 2013 to 31 December 2013	14 May 2014
Department of Higher Education and Training – Foundation Programme	Agreeing student data to underlying records and Financial data to contracts and supporting documentation	1 January 2013 – 28 February 2014	29 April 2014
National Research Foundation – NRF Grants	Agreeing of expenditure to contracts and supporting documentation.	1 January 2013 to 31 December 2013	14 March 2014
National Research Foundation – THRIP Grants	Agreeing of expenditure to contracts and supporting documentation.	1 January 2013 to 31 December 2013	23 May 2014
DST/Mintek NIC Consortium - Research grant	Agreeing of expenditure to contracts and supporting documentation.	1 April 2013 to 31 March 2014	11 April 2014
Investec Commerce Foundation	Agreeing of expenditure to contracts and supporting documentation.	1 February 2013 – 31 January 2014	20 March 2014
Centre for Social Development – Grant	Agreeing of expenditure to contracts and supporting documentation.	1 January 2013 – 31 December 2013	21 February 2014
Zenex Foundation – Maths Education Project	Agreeing of expenditure to contracts and supporting documentation.	1 January 2013 – 31 December 2013	21 February 2014
Rhodes University Maths Education Project	Agreeing of expenditure to contracts and supporting documentation.	1 January 2013 – 31 December 2013	28 May 2014
Sishen Iron Ore Community Development Trust	Agreeing of expenditure to contracts and supporting documentation.	1 January 2013 – 31 December 2013	21 February 2014

Engagement Name	Purpose of Engagement	Period Covered	Reporting Date
Teacher Development Grant	Agreeing of expenditure to contracts and supporting documentation.	1 April 2013 – 31 March 2014	24 April 2014
Research Development Grant	Agreeing of expenditure to contracts and supporting documentation.	1 April 2013 – 31 March 2014	24 April 2014
National Arts Council	Agreeing of expenditure to contracts and supporting documentation.	1 January 2013 – 31 December 2013	23 May 2014

#### Audit engagements

As required by the funding agreement, an audit was conducted during the year under review, as indicated below.

Engagement Name	Purpose of Engagement	Period Covered	Reporting Date
NUFFIC – Netherlands Organisation for International Cooperation in Higher Education	Report to stakeholders of the project whether, in our opinion, the annual project statements present fairly, in all material respects, the financial performance of the project in accordance with the project agreement, NPT financial rules and the NPT financial guidelines.	1 January 2013 to 31 December 2013	27 March 2014

*PricewaterhouseCoopers Inc.*

**PricewaterhouseCoopers Inc.**

Director: A Rathan

Registered auditor

19 June 2015

**RHODES UNIVERSITY**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
at 31 December 2014**

	Notes	2014 R'000	2013 R'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	1	380 486	335 349
Investments	2	521 966	470 176
Loans and receivables	3	4 338	19 371
<b>Current assets</b>			
Inventories	4	4 856	4 808
Receivables and prepayments	5	60 082	74 228
Cash and cash equivalents	6	183 718	189 364
Financial assets	7	50 400	24 900
<b>Total assets</b>		<b>1 205 846</b>	<b>1 118 196</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity funds</b>			
Property plant and equipment funds		363 897	318 734
Council managed earmarked funds		187 959	193 313
Council directed funds		354 238	278 028
<b>Non-current liabilities</b>			
Interest-bearing borrowings	9	816	211
Retirement benefit obligations	21	77 460	141 701
<b>Current liabilities</b>			
Deferred income	8	105 077	95 153
Trade and other payables	10	105 931	81 087
Leave pay accrual		9 650	9 680
Current portion of borrowings	9	818	289
<b>Total equity and liabilities</b>		<b>1 205 846</b>	<b>1 118 196</b>



**RHODES UNIVERSITY  
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
for the year ended 31 December 2014**

	2014					2013	
	Council Directed Fund Activities				Council Managed Earmarked Fund Activities	TOTAL	
	Central operations R'000	Accommo- dation R'000	Endowed funds R'000	SUB- TOTAL R'000		R'000	R'000
<b>TOTAL INCOME</b>	544 840	175 939	55 457	776 236	267 615	1 043 851	
<b>RECURRENT ITEMS</b>	541 090	175 606	28 270	744 966	249 263	994 229	
State appropriations – subsidies and grants	307 108	-	-	307 108	100 775	407 883	
Tuition and other fee income	220 065	155 791	-	375 856	40 553	416 409	
Income from contracts	56	-	-	56	27 968	28 024	
Sales of goods and services	711	19 815	-	20 526	16 830	37 356	
Private gifts and grants	182	-	11 186	11 368	53 097	64 465	
Interest and dividends	528 122	175 606	11 186	714 914	239 223	954 137	
NON-RECURRENT ITEMS	12 968	-	17 084	30 052	10 040	40 092	
Profit on disposal of assets	3 750	333	27 187	31 270	18 352	49 622	
Realised capital profits on investments	25	-	-	25	637	662	
Other non-recurrent income	3 725	333	26 739	26 739	3	26 742	
<b>TOTAL EXPENDITURE</b>	564 490	156 785	34 141	755 416	250 028	1 005 444	
<b>RECURRENT ITEMS</b>	542 656	149 891	34 141	726 688	249 305	975 993	
Personnel costs	393 018	52 269	-	445 287	95 528	540 815	
Academic professional	198 319	-	-	198 319	38 420	236 739	
Other personnel	194 729	52 269	-	246 998	57 108	304 106	
Leave liability decrease	(30)	-	-	(30)	-	(30)	
Other operating expenses	133 153	93 160	34 141	260 454	137 172	397 626	
Depreciation	16 413	4 462	-	20 875	16 605	37 480	
Finance costs	542 584	149 891	34 141	726 616	249 305	975 921	
NON-RECURRENT ITEMS	72	-	-	72	-	72	
Capital expenditure expensed	21 834	6 894	-	28 728	723	29 451	
NSFAS impairment	2 052	300	-	2 352	723	3 075	
	19 782	6 594	-	26 376	-	26 376	
<b>NET SURPLUS(DEFICIT)</b>	(19 650)	19 154	21 316	20 820	17 587	38 407	
<b>OTHER COMPREHENSIVE INCOME</b>							
Items that will not be reclassified to total income/expenditure							
Retirement funding valuation adjustments	73 660	-	-	73 660	-	73 660	
Items that may be subsequently reclassified to total income/expenditure							
Investments fair value adjustment	-	-	4 010	4 010	-	4 010	
<b>TOTAL OTHER COMPREHENSIVE INCOME FOR THE YEAR</b>	73 660	-	4 010	77 670	-	77 670	
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	54 010	19 154	25 326	98 490	17 587	116 077	

**RHODES UNIVERSITY**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
for the year ended 31 December 2014

Description	Accumulated	Endowment	Sub-total	Contract	Sub-total	Property,	Total
	Fund	Fund	Council	Fund	Council	plant and	R'000
	R'000	R'000	Directed	R'000	Funds	equipment	R'000
			Funds		Earmarked	Fund	
			R'000		Funds	R'000	
<b>Balance at 1.1.2013</b>	(294 197)	410 961	116 764	147 788	147 788	319 830	584 382
Retirement funding valuation adjustments	169 805	-	169 805	-	-	-	169 805
Investment fair value adjustment	-	38 386	38 386	-	-	-	38 386
Net surplus/(deficit) before transfers	(54 325)	14 635	(39 690)	37 389	37 389	-	(2 301)
Funds utilised/written off	(197)	-	(197)	-	-	-	(197)
Transfers							
- Depreciation charge	22 697	-	22 697	13 929	13 929	(36 626)	-
- Property, plant and equipment additions	(29 737)	-	(29 737)	(5 793)	(5 793)	35 530	-
<b>Balance at 31.12.2013</b>	<b>(185 954)</b>	<b>463 982</b>	<b>278 028</b>	<b>193 313</b>	<b>193 313</b>	<b>318 734</b>	<b>790 075</b>
<b>Balance at 1.1.2014</b>	<b>(185 954)</b>	<b>463 982</b>	<b>278 028</b>	<b>193 313</b>	<b>193 313</b>	<b>318 734</b>	<b>790 075</b>
Retirement funding valuation adjustments	73 660	-	73 660	-	-	-	73 660
Investment fair value adjustment	-	4 010	4 010	-	-	-	4 010
Net surplus before transfers	(496)	21 316	20 820	17 587	17 587	-	38 407
Funds utilised/written off	(58)	-	(58)	-	-	-	(58)
Transfers							
- Depreciation charge	20 875	-	20 875	16 605	16 605	(37 480)	-
- Property, plant and equipment additions	(43 097)	-	(43 097)	(39 546)	(39 546)	82 643	-
<b>Balance at 31.12.2014</b>	<b>(135 070)</b>	<b>489 308</b>	<b>354 238</b>	<b>187 959</b>	<b>187 959</b>	<b>363 897</b>	<b>906 094</b>

The Endowment Funds include the revaluation reserve of R190 573 340 (2013: R186 562 767).

RHODES UNIVERSITY

**CONSOLIDATED STATEMENT OF CASH FLOWS**  
for the year ended 31 December 2014

	Notes	2014 R'000	2013 R'000
<b>Cash flow from operating activities</b>			
Cash generated from operations	19	94 651	46 928
Interest received		23 007	15 845
<i>Net cash generated from operating activities</i>		<u>117 658</u>	<u>62 773</u>
<b>Cash flow from investing activities</b>			
Purchase of property, plant and equipment			
Funded through own cash resources		(82 643)	(35 530)
Proceeds on disposal of property, plant and equipment		689	963
Interest received		7 932	8 621
Dividends received		9 153	6 844
Net increase in non-current investments		(21 041)	(12 181)
Net increase in financial assets		(25 500)	(24 900)
Net advances of student, staff and other loans		(12 956)	(5 711)
<i>Net cash utilised in investing activities</i>		<u>(124 366)</u>	<u>(61 894)</u>
<b>Cash flow from financing activities</b>			
Interest paid		(72)	(59)
Movement on interest-bearing borrowings		1 134	(220)
<i>Net cash generated from/(utilised in) financing activities</i>		<u>1 062</u>	<u>(279)</u>
<b>(Decrease)/increase in cash and cash equivalents</b>			
Cash and cash equivalents at beginning of year		189 364	188 764
Cash and cash equivalents at end of year	6	<u>183 718</u>	<u>189 364</u>

RHODES UNIVERSITY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS – 31 December 2014

1. Property, plant and equipment

	Land and buildings R'000	Furniture and equipment R'000	Computer equipment R'000	Vehicles R'000	Library, museum and art collections R'000	Total R'000
<b>Year ended</b>						
<b>31 December 2014</b>						
Opening carrying amount	286 013	40 696	2 971	5 669	-	335 349
Additions	19 706	50 441	5 478	4 286	2 732	82 643
Disposals/transfers	-	(7)	(11)	(8)	-	(26)
Depreciation charge	(8 250)	(18 518)	(5 482)	(2 498)	(2 732)	(37 480)
Closing carrying amount	<u>297 469</u>	<u>72 612</u>	<u>2 956</u>	<u>7 449</u>	<u>-</u>	<u>380 486</u>
<b>At 31 December 2014</b>						
Cost or valuation	376 086	222 794	64 758	25 000	108 246	796 884
Accumulated depreciation	(78 617)	(150 182)	(61 802)	(17 551)	(108 246)	(416 398)
Carrying amount	<u>297 469</u>	<u>72 612</u>	<u>2 956</u>	<u>7 449</u>	<u>-</u>	<u>380 486</u>
<b>Year ended</b>						
<b>31 December 2013</b>						
Opening carrying amount	286 653	43 868	2 762	3 444	-	336 727
Additions	7 168	10 553	10 315	4 762	2 732	35 530
Disposals/transfers	-	(282)	-	-	-	(282)
Depreciation charge	(7 808)	(13 443)	(10 105)	(2 538)	(2 732)	(36 626)
Closing carrying amount	<u>286 013</u>	<u>40 696</u>	<u>2 971</u>	<u>5 669</u>	<u>-</u>	<u>335 349</u>
<b>At 31 December 2013</b>						
Cost or valuation	356 380	174 861	60 999	23 590	105 514	721 344
Accumulated depreciation	(70 367)	(134 165)	(58 028)	(17 921)	(105 514)	(385 995)
Carrying amount	<u>286 013</u>	<u>40 696</u>	<u>2 971</u>	<u>5 669</u>	<u>-</u>	<u>335 349</u>

Details of all fixed properties are available for inspection at the University.

In addition to the above, the University has received Infrastructure Development Grants from the Department of Higher Education and Training to fund specific capital projects. To date the following amounts have been expended and set off against the cost of these assets as set out in accounting policy 1.3.1:

	2014 R'000	2013 R'000	2012 R'000	2011 R'000	Total R'000
Land and buildings	48 508	36 594	13 243	120	98 465
Furniture and equipment	1 724	711	5 756	117	8 308
Computer equipment	-	-	-	-	-
	<u>50 232</u>	<u>37 305</u>	<u>18 999</u>	<u>237</u>	<u>106 773</u>

Property, plant and equipment under construction at year end includes the construction of the Life Sciences project, the Post-Graduate Residence project and the Cullen Bowles Residence project. The cost incurred at year end amounts to R64.8 million which has been offset by the grant received.

**RHODES UNIVERSITY**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS – 31 December 2014 (continued)**

<b>2. Investments</b>	<b>2014</b>	<b>2013</b>
	<b>R'000</b>	<b>R'000</b>
At fair value:		
Listed shares	221 673	233 236
International market unit trust	143 316	127 899
Money market deposits	72 857	45 641
Government bonds local authority	66 318	42 352
Government bonds parastatals	17 802	21 048
	<u>521 966</u>	<u>470 176</u>
At cost:		
Listed shares	93 294	103 592
International market unit trusts	79 945	70 815
Money market deposits	72 827	44 744
Government local	64 324	42 168
Government parastatals	19 841	21 017
	<u>330 231</u>	<u>282 336</u>

The carrying amounts of the University's international market unit trust investments are denominated primarily in US Dollar.

Credit quality of investments held is managed by the University with reference to monthly portfolio statements received from the fund managers.

Effective 1 January 2009, the University adopted the amendment to IFRS 7 for financial instruments that are measured in the statement of financial position at fair value. This requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (LEVEL 1)
- Inputs for fair value measurements, other than quoted prices, that are observable from the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (LEVEL 2)
- Inputs, for fair value measurements from the asset or liability that are not based on observable market data (that is, unobservable inputs) (LEVEL 3)

## RHODES UNIVERSITY

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS – 31 December 2014 (continued)

#### 2. Investments (continued)

The following table presents the University's assets that are measured at fair value at 31 December 2014.

	Level 1	Level 2	Level 3	Total balance
	R'000	R'000	R'000	R'000
<b>Assets</b>				
Available-for-sale financial assets				
- Listed shares	221 673	-	-	221 673
- International market unit trusts	143 316	-	-	143 316
- Money market deposits	72 857	-	-	72 857
- Government bonds	84 120	-	-	84 120
<b>Total assets</b>	<u>521 966</u>	<u>-</u>	<u>-</u>	<u>521 966</u>

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing services, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the University is the bid price at year-end. These instruments are included in level 1.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. The fair value of investments disclosed under level 2 is determined by portfolio managers based on current market indicators.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments.
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

**RHODES UNIVERSITY**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS – 31 December 2014 (continued)**

<b>3. Loans and receivables</b>	<b>2014 R'000</b>	<b>2013 R'000</b>
Student loans – NSFAS	62 243	50 456
Provision for impairment	<u>(62 243)</u>	<u>(35 868)</u>
	-	14 588
Student loans	7 994	5 611
Loans to employees	2 651	2 792
Other loans	<u>1 573</u>	<u>2 645</u>
	12 218	25 636
Provision for impairment	<u>(7 880)</u>	<u>(6 265)</u>
	<u>4 338</u>	<u>19 371</u>

Student loans bear interest at 10% (2013 : 10%) and are repayable in terms of individual contracts with students. These loan contracts are on the same terms and conditions as applied to financial aid granted under the National Student Financial Aid Scheme (NSFAS).

Unsecured loans to employees bear interest at a fixed rate of 15.5% (2013 : 15%) and are repayable in terms of individual contracts with the employees. The loans are made available for housing and personal purposes.

Other loans are interest free with no fixed terms of repayment.

The University's historical experience in collection of these loans falls within the recorded allowances. Due to these factors, University management believes that no additional credit risk beyond amounts provided for collection losses is inherent in these loans.

The movement in the impairment provision was as follows:

	<b>NSFAS R'000</b>	<b>Other loans and receivables R'000</b>
Balance at 1 January 2013	2 868	5 783
Additional impairment	33 000	482
Balance at 31 December 2013	<u>35 868</u>	<u>6 265</u>
Additional impairment	26 375	1 615
Closing balance at 31 December 2014	<u>62 243</u>	<u>7 880</u>

There are no other material loans and receivables balances that are past due and not impaired.

<b>4. Inventories</b>	<b>2014 R'000</b>	<b>2013 R'000</b>
Stationery	224	307
Technical inventories	2 137	2 204
Cleaning material and foodstuffs	1 707	1 771
Study materials	<u>788</u>	<u>526</u>
	<u>4 856</u>	<u>4 808</u>

**RHODES UNIVERSITY****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS – 31 December 2014 (continued)**

<b>5. Receivables and prepayments</b>	<b>2014 R'000</b>	<b>2013 R'000</b>
Student debtors	43 885	38 455
Prepayments	1 261	9 028
NRF control account	5 200	7 124
Water research control account	2 223	452
NSFAS	8 911	17 410
Accrued interest receivable	3 535	1 530
Other receivables	7 655	9 921
Receiver of Revenue – Value Added Tax	3 600	4 400
	<u>76 270</u>	<u>88 320</u>
Provisions for impairment	<u>(16 188)</u>	<u>(14 092)</u>
	<u>60 082</u>	<u>74 228</u>

**Student debtors**

Student debt is deemed impaired and credit losses are provided for if the students do not register for the next academic year and did not successfully complete their degrees. Students are normally not allowed to register for the next academic year if they still have outstanding debt. Student debt in respect of students who have completed their degrees is not considered to be impaired based on historical evidence that they settle their debt in full in order to secure their degrees.

Credit quality of student debtors is managed by the University with reference to the last year of registration of the relevant student. The impairment provision is based on the University's experience in collection of student debt according to the period outstanding since last registration of the student.

The movement in the impairment provision was as follows:

	<b>2014 R'000</b>	<b>2013 R'000</b>
Opening balance at 1 January	14 092	9 980
Additional impairment	2 096	3 923
Receivables written off during the year	-	189
Closing balance at 31 December	<u>16 188</u>	<u>14 092</u>

Student debtors amounting to R16.1 million (2013: R14.4 million) of debit balances outstanding at year end are considered to be fully performing. The balance of R27.8 million (2013: R24 million) are past due. However, only R16.2 million (2013: R14.1 million) is considered impaired and a provision has been raised accordingly.

The movement in the impairment provision has been included in other current operating expenses in the statement of comprehensive income. Student receivables are generally written off when there is no expectation of recovery.

Overdue student debts bear interest at market related rates.

**External debtors and other receivables**

External debtors and other receivables consist of a number of reputable institutions, from whom monies are due for various grants, projects and auxiliary activities of the University in accordance with relevant agreements. Due to the nature of these receivables and a history of low defaults, credit losses are deemed minimal.

Fair value of external debtors and other receivables approximate their cost.



**RHODES UNIVERSITY**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS – 31 December 2014 (continued)**

<b>6. Cash and cash equivalents</b>	<b>2014 R'000</b>	<b>2013 R'000</b>
Cash at bank and in hand	32 198	24 471
Short term bank deposits	151 520	164 893
	<u>183 718</u>	<u>189 364</u>

For the purpose of the cash flow statement, the year-end cash and cash equivalents comprise the following:

Cash and bank balances	<u>183 718</u>	<u>189 364</u>
------------------------	----------------	----------------

Cash and cash equivalents are invested with major regulated financial institutions in South Africa.

<b>7. Financial assets</b>	<b>2014 R'000</b>	<b>2013 R'000</b>
Fixed deposits (3 to 12 months)	<u>50 400</u>	<u>24 900</u>

<b>8. Deferred income</b>	<b>2014 R'000</b>	<b>2013 R'000</b>
As at 1 January	95 153	68 580
Net increase in deferred income	9 924	26 573
Government grants received	61 042	65 603
Capital expenditure incurred	(50 232)	(37 305)
Realised in comprehensive income	(886)	(1 725)
As at 31 December	<u>105 077</u>	<u>95 153</u>

Deferred income represents the building and infrastructure upgrade funding received from the Department of Higher Education and Training. Where funds received have been utilised for capital projects, they are offset against the cost of the asset purchased. Where funds have been utilised to defray related expenses which do not qualify for capitalisation, income is recognised as the expenses are incurred. Unspent amounts are held in current liabilities. Where amounts are spent in advance of the receipt of the grant, an appropriate current asset is raised.

**RHODES UNIVERSITY**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS – 31 December 2014 (continued)**

<b>9. Interest-bearing borrowings</b>	<b>2014</b>	<b>2013</b>
	<b>R'000</b>	<b>R'000</b>
<b>Current portion of borrowings</b>		
Lease liability	818	289
<b>Non-current portion of borrowings</b>		
Lease liability	816	211
<b>Total borrowings</b>	<u>1 634</u>	<u>500</u>

The bank borrowings and other current borrowings are unsecured. Redemption of loans is guaranteed by the Department of Higher Education and Training.

Lease liabilities are effectively secured as the rights to the leased asset revert to the lessor in the event of default. The finance lease liability is secured by vehicles with a net book value of R1 574 227 (2013: R441 992)

	<b>2014</b>	<b>2013</b>
<b>Interest rates:</b>		
- lease liability	<u>9.25%</u>	<u>12.00%</u>
<b>Finance lease liabilities – minimum lease payments:</b>		
Not later than 1 year	829	320
Later than 1 year not later than 5 years	1 004	221
Later than 5 years	-	-
	<u>1 833</u>	<u>541</u>
Future finance charges on finance lease	<u>(199)</u>	<u>(41)</u>
Present value of finance lease liabilities for vehicles	<u>1 634</u>	<u>500</u>

**RHODES UNIVERSITY**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS – 31 December 2014 (continued)**

<b>10. Trade and other payables</b>	<b>2014</b>	<b>2013</b>
	<b>R'000</b>	<b>R'000</b>
Trade and other payables	59 377	41 281
Student deposits	46 554	39 806
	<u>105 931</u>	<u>81 087</u>

The fair value of trade and other payables approximates the carrying amounts as the majority of trade and other payables are non-interest bearing and are normally settled within agreed terms with creditors.

<b>11. State appropriations – subsidies and grants</b>	<b>2014</b>	<b>2013</b>
	<b>R'000</b>	<b>R'000</b>
Subsidy – general purposes	307 108	287 969
Subsidy – interest and redemption	-	28
Subsidy – other	-	-
Specific grants – infrastructure	61 042	61 042
Specific grants – research	99 889	85 032
	<u>468 039</u>	<u>434 071</u>
Infrastructure grants offset against assets purchased or under construction	(50 232)	(37 305)
Infrastructure grants (deferred)/released	(9 924)	(26 572)
	<u>407 883</u>	<u>370 194</u>

**12. Private gifts and grants**

Council Managed Earmarked Funds include grants received from the National Lottery Development Trust Fund amounting to RNil (2013 : R3 428 860), National Arts Council of R60 000 (2013 : R415 000) and Open Society of R1 850 000 (2013 : R1 971 345).

<b>13. Income from investments</b>	<b>2014</b>	<b>2013</b>
	<b>R'000</b>	<b>R'000</b>
Interest income	32 160	24 466
Dividend income	7 932	6 844
	<u>40 092</u>	<u>31 310</u>
Realised capital profits on investments	<u>26 742</u>	<u>14 362</u>

**RHODES UNIVERSITY**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS – 31 December 2014 (continued)**

<b>14. Personnel costs</b>	<b>2014</b>	<b>2013</b>
	<b>R'000</b>	<b>R'000</b>
Academic professional	236 739	226 852
Other personnel	304 106	299 921
Other personnel costs	267 833	243 269
Retirement funding adjustments	36 273	56 652
Leave liability decrease	(30)	(194)
	540 815	526 579

<b>15. Other operating expenses</b>	<b>2014</b>	<b>2013</b>
	<b>R'000</b>	<b>R'000</b>
The following items have been included in recurrent expenditure:		
Repairs and maintenance expenditure	13 135	13 134
Expenditure on computer equipment written off	959	1 191
Rates	9 411	8 496
Electricity	18 572	22 260
Scholarship, bursaries and merit awards	70 894	63 088
Library periodicals	13 574	11 116

<b>16. Finance costs</b>	<b>2014</b>	<b>2013</b>
	<b>R'000</b>	<b>R'000</b>
Interest expense	72	59

<b>17. Commitments</b>	<b>2014</b>	<b>2013</b>
	<b>R'000</b>	<b>R'000</b>
Commitments for capital expenditure	108 277	131 332
Commitments for operating expenditure		
General	7 809	8 342

Capital expenditure commitments will be financed through funds specifically designated for the projects and infrastructure grants from the Department of Higher Education. In 2014, commitments relate to the construction of the life sciences project, new residences and the school of languages project.

General expenditure commitments will be financed through the internal central budget funds.

**18. Contingent liabilities**

There is a contingent liability amounting to R3.8 million (2013 : R4.4 million) for surety guarantees given by the University to assist staff to obtain motor vehicle and other loans.

**RHODES UNIVERSITY**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS – 31 December 2014 (continued)**

<b>19. Cash generated from operations</b>	<b>2014</b>	<b>2013</b>
	<b>R'000</b>	<b>R'000</b>
Reconciliation of net surplus/(deficit) to cash generated from operations:		
Net surplus/(deficit) before transfers	38 407	(2 301)
Adjustments for non-cash items:		
Deferred income increase	9 924	26 573
Depreciation	37 480	36 626
Profit on disposal of fixed assets	(662)	(680)
Profit on disposal of non-current investments	(26 739)	(14 362)
Movement in retirement benefit assets and liabilities	(64 241)	(139 424)
Actuarial gains and losses	73 660	169 805
Increase in provision for non-current receivables	30 084	37 594
Non-cash movement in reserves	(58)	(197)
Decrease in provision for leave pay	(30)	(194)
Interest received	(32 160)	(24 466)
Dividends received	(7 932)	(6 844)
Interest paid	72	59
Changes in working capital (excluding Infrastructure Grant)	36 846	(35 261)
Receivables and prepayments	12 050	(41 926)
Inventories	(48)	133
Trade and other payables	24 844	6 532
Cash generated from operations	<u>94 651</u>	<u>46 928</u>

**20. Compensation paid to Executive Personnel**

The following disclosures relate to compensation paid to executive management for the year ended 31 December 2014. The amounts reflected below are based on the total cost of employment to the University and comprise flexible remuneration packages.

	<b>Office held</b>	<b>Basic salary</b>	<b>Employment</b>	<b>Other</b>	<b>Total cost</b>
		<b>R'000</b>	<b>benefits</b>	<b>allowances/</b>	<b>to Rhodes</b>
			<b>R'000</b>	<b>payments</b>	<b>University</b>
				<b>R'000</b>	<b>R'000</b>
Dr S Badat	Vice-Chancellor (7 months)	1 088	602	33	1 723
Dr S Mabizela	Vice-Chancellor	1 507	414	-	1 921
Dr P Clayton	Deputy Vice-Chancellor: Research & Development	1 230	315	125	1 670
Dr S Fourie	Registrar	1 078	206	75	1 359
Dr I L'Ange	Executive Director: Infrastructure, Operations & Finance	1 236	198	-	1 434

**20. Compensation paid to Executive Personnel (continued)**

The following disclosures relate to compensation paid to executive management for the year ended 31 December 2013. The amounts reflected below are based on the total cost of employment to the University and comprise flexible remuneration packages.

	<b>Office held</b>	<b>Basic salary R'000</b>	<b>Employment benefits R'000</b>	<b>Other allowances/ payments R'000</b>	<b>Total cost to Rhodes University R'000</b>
Dr S Badat	Vice-Chancellor	1 721	559	139	2 419
Dr S Mabizela	Deputy Vice- Chancellor : Academic & Student	1 186	368	-	1 554
Dr P Clayton	Deputy Vice- Chancellor: Research & Development	1 094	288	172	1 554
Dr S Fourie	Registrar	1 021	192	25	1 238
Dr I L'Ange	Executive Director: Infrastructure, Operations & Finance	1 185	196	22	1 403

**21. Retirement benefit obligations**

The University operates a defined benefit pension fund as well as two defined contribution provident funds. These funds are separately administered and managed in terms of the Pension Funds Act.

The responsibility for governance and management of the defined benefit pension fund lies with the trustees. The trustees engage professional pension fund administrators to assist them in discharging their responsibilities. Further, the trustees of the Rhodes University Pension Fund manage the fund on the basis of the statutory valuation, performed in terms of the Pension Funds Act, and the recommendations made by the statutory actuary. This valuation reflected a funding level in excess of 100% at year-end for both 2011 and 2012.

For the purposes of the preparation of these financial statements, the retirement obligations are required to be valued in terms of IAS19R Employee Benefits. In terms of IAS19R, a different actuarial valuation method and assumptions are used compared to the statutory valuation. These valuation methods and assumptions are by nature more conservative and hence result in differences in measurement.

The University also provides post-retirement healthcare benefits to retirees employed by the institution prior to 1991. The entitlement to this benefit is based on the employee remaining in service up to retirement age and the completion of a minimum service period. This obligation is also valued in terms of IAS19R Employee Benefits.

	<b>2014</b>	<b>2013</b>
	<b>R'000</b>	<b>R'000</b>
Statement of financial position obligations for:		
- pension benefits	8 593	74 089
- post-retirement medical benefits	68 867	67 612
	<u>77 460</u>	<u>141 701</u>
Total income / expenditure charge for:		
- pension benefits	(30 165)	(51 054)
- post-retirement medical benefits	(6 108)	(5 598)
	<u>(36 273)</u>	<u>(56 652)</u>

**21. Retirement benefit obligations (continued)*****Pension benefits:***

The defined benefit pension fund is valued by independent actuaries on an annual basis using the Projected Unit Credit method.

The latest actuarial valuation of the pension fund was performed on 31 December 2014.

This plan is registered under the Pension Fund Act. The assets of this fund are held independently of the University's assets in a separate trustee-administered fund.

The plan is a final average salary pension plan which provides benefits to members in the form of a guaranteed level of pension payable for life. The level of benefits provided depends on the member's length of service and their salary in the final year to retirement. The plan is governed by local regulations and practises of the Financial Services Board as well as the Pension Fund Act of South Africa. There were no financial significant rule amendments, curtailments or settlements during the year under review.

The fund is required by law to maintain a funding level of at least 100%. A statutory valuation is conducted every year to confirm the fund's financial soundness:

	<b>2014</b>	<b>2013</b>
	<b>R'000</b>	<b>R'000</b>
<i>The amounts recognised in the statement of financial position are as follows:</i>		
Present value of funded obligations	833 459	832 882
Fair value of plan assets	<u>(824 866)</u>	<u>(758 793)</u>
	8 593	74 089
Unrecognised surplus due to surplus apportionment legislation	-	-
Liability at statement of financial position date	<u>8 593</u>	<u>74 089</u>

*The movement in the defined benefit obligation over the year is as follows:*

Beginning of the year	832 882	887 232
Current service cost	23 629	34 464
Interest cost	69 840	66 131
Member contributions	11 632	11 087
Remeasurement gain	(23 932)	(89 917)
Benefits paid	(77 703)	(73 331)
Risk premium and expenses	<u>(2 889)</u>	<u>(2 784)</u>
End of the year	<u>833 459</u>	<u>832 882</u>



RHODES UNIVERSITY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS – 31 December 2014 (continued)

21. Retirement benefit obligations (continued)

	2014 R'000	2013 R'000
<i>Pension benefits (continued):</i>		
<i>The movement in the fair value of plan assets over the year is as follows:</i>		
Beginning of the year	758 793	675 299
Expected return on plan assets	63 304	49 541
Employer contributions	22 613	22 523
Employee contributions	11 632	11 087
Benefits paid	(77 703)	(73 331)
Risk premium	(2 889)	(2 784)
Remeasurement gain	49 116	76 458
End of the year	<u>824 866</u>	<u>758 793</u>

*The amount recognised in total income/expenditure are as follows:*

Current service costs	(23 629)	(34 464)
Net interest income/(expense)	<u>(6 536)</u>	<u>(16 590)</u>
Total, included in staff costs	<u>(30 165)</u>	<u>(51 054)</u>

*Plan assets, as set out in the actuarial valuation, are comprised as follows:*

Cash	15.80%	14.40%
Equities	40.80%	45.80%
Bonds	14.30%	9.60%
Property	1.60%	1.90%
International	25.90%	26.90%
Other	1.60%	1.40%
	<u>100%</u>	<u>100%</u>

The overall duration of the fund's liabilities is estimated at 16 years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS – 31 December 2014 (continued)

21. Retirement benefit obligations (continued)

*Pension benefits (continued):*

**Sensitivity analysis**

The table below sets out the sensitivity of the valuation results to changes in the key financial assumptions as at 31 December 2014. The rate of discount (9%) is decreased by 1.0% (8%) and increased by 1.0% (10%), while keeping all other assumptions unchanged. The salary increase rate (7.0%) is increased by 1.0% (8.0%) and decreased by 1.0% (6.0%) while keeping all other assumptions unchanged. The pension increase assumption (3.6%) is increased by 1.0% (4.6%) and decreased by 1.0% (2.6%) while keeping all other assumptions unchanged.

	31 December 2014 (R'000)							
	Valuation results	Discount rate -1%	Discount rate +1%	Discount rate	Salary increase +1%	Salary increase -1%	Pension increase +1%	Pension increase -1%
Assets at market value	824 866	824 866	824 866	824 866	824 866	824 866	824 866	824 866
Active member liabilities	504 963	600 340	430 377	547 967	468 074	553 222	463 062	463 062
Pensioner liabilities	328 496	356 100	304 537	328 496	328 496	357 352	303 149	303 149
Funded status	833 459	956 440	734 914	876 463	796 570	910 574	766 211	766 211
Funding level	(8 593)	(131 574)	89 952	(51 597)	28 296	(85 708)	58 655	58 655
Service cost	99%	86.2%	112.2%	94.1%	103.6%	90.6%	107.7%	107.7%
	21 441	29 651	15 353	26 305	17 439	24 328	18 925	18 925

**21. Retirement benefit obligations (continued)*****Pension benefits (continued):******Sensitivity analysis (continued)***

The table below sets out the sensitivity of the valuation results to changes in the pensioner mortality assumption as at 31 December 2014. The sensitivity is shown by assuming a pensioner has a mortality of a person 2 years older and 2 years younger than that assumed in the main valuation results. All other assumptions are kept the same as used for the main valuation results.

	31 December 2014 (R'000)		
	Valuation results	Mortality -2 years	Mortality +2 years
Assets at market value	824 866	824 866	824 866
Active member liabilities	504 963	524 854	484 306
Pensioner liabilities	328 496	346 081	310 563
	833 459	870 935	794 869
Funded status	(8 593)	(46 069)	29 997
Funding level	99%	94.7%	103.8%
Service cost	21 441	22 713	20 123

The RU Pension Fund valuations reflected in these annual financial statements are arrived at in compliance with IAS19. The Trustees of the Pension Fund, whilst mindful of these IAS19 valuations, manage the fund with reference to the valuations undertaken by the Fund's statutory actuary, whose valuations are subject to scrutiny by the Financial Services Board. The most recent such valuation reflected the fund as fully funded with a solvency reserve of 14.4% of calculated liabilities.

The Trustees of the pension fund take into account the following employer risks in the management of the fund:

**Market risk:** The assets of the pension fund are invested in equities, bonds, cash and international assets. The trustees apply an investment strategy of diversification and use two asset managers, who each manage approximately 50% of the fund's assets, to mitigate this risk.

**Inflation risk:** Pension increases are linked to inflation which has an impact on the pensioner liability. The trustees are mindful that the employer is subject to risk as a result. In arriving at pension increases the trustees consider, inter alia, the statutory valuations of the fund and not the IAS 19 valuations and have hitherto succeeded in not increasing employer obligations to the fund beyond the employer contribution, which has remained the same since inception of the Fund. As at 31 December 2014, the date of the most recent statutory valuation, the required rate of contribution from the employer for benefits accruing after the valuation date amounts to 9.34% of pensionable emoluments. The current employer contribution rate is 15%.

There are further risks attaching to the employer from the defined benefit plan, namely:

1. Longevity risk which is the risk that pensioners and current employees will live for longer than the mortality assumptions used in the statutory valuations. This risk is, for obvious reasons, not manageable beyond adjusting the mortality assumptions when appropriate.
2. Inflation risk arising from the employer granting salary increases greater than those assumed in the statutory valuations. The trustees require that the Actuary takes note of any such trends in preparing the statutory valuations.

## 21. Retirement benefit obligations (continued)

*Pension benefits (continued):**Analysis of remeasurements:*

	2014 R'000	2013 R'000
<b>Defined benefit obligation:</b>		
Remeasurement loss / (gain) due to change in financial assumptions	(45 859)	(104 662)
Remeasurement loss / (gain) due to experience adjustment	21 927	14 745
	<u>(23 932)</u>	<u>(89 917)</u>
<b>Plan assets:</b>		
Remeasurement gain : Return on plan assets, not included on interest income above	49 116	76 458

*The principal actuarial assumptions used were as follows:*

Discount rate	9.0%	8.6%
Future salary increases	7.0%	7.0%
Future pension increases	3.6%	3.6%
Inflation rate	6.0%	6.0%

*Mortality Rate:*

Pre-retirement: SA85-90 Ultimate

Post-retirement: PA(90) ultimate life table less a 1 year age adjustment with an improvement of 0.5% per annum from 2007 onwards.

Actual return on plan assets for 2014 was R112 million.

**21. Retirement benefit obligations (continued)*****Post-employment medical benefits***

The University provides post-retirement medical benefits to certain qualifying employees in the form of continued medical aid contributions. Entitlement to this benefit is based on the employee being employed by the University prior to 1991, remaining in service up to retirement age and completing a minimum service period. This unfunded defined benefit liability in respect of this obligation is valued by independent actuaries annually using the Projected Unit Credit method. This liability was valued at 31 December 2014. The plan is registered under the Medical Schemes Act. The plan is governed by a Board of Trustees.

	2014 R'000	2013 R'000
<i>The amounts recognised in the statement of financial position are determined as follows:</i>		
Present value of unfunded medical benefit obligations	<u>68 867</u>	<u>67 612</u>
<i>The movement in the liability over the year is as follows:</i>		
Beginning of the year	67 612	69 192
Current service cost	516	658
Interest cost	5 592	4 940
Benefits paid	(4 241)	(3 748)
Remeasurement (gains)/losses due to changes in financial assumptions	(2 039)	(10 814)
Remeasurement (gains)/losses due to changes in demographic assumptions	382	3 215
Remeasurement (gains)/losses due to changes in experience	1 045	4 169
End of the year	<u>68 867</u>	<u>67 612</u>
<i>The amounts recognised in total income/expenditure are as follows:</i>		
Current service cost	(516)	(658)
Interest cost	<u>(5 592)</u>	<u>(4 940)</u>
Total included in personnel costs	<u>(6 108)</u>	<u>(5 598)</u>

The overall duration of the Post-Retirement Medical Aid subsidy scheme liability is estimated at 14.5 years.

**21. Retirement benefit obligations (continued)****Post-employment medical benefits (continued):****Sensitivity analysis**

Sensitivity analysis looks at the effect of deviations in the key valuation assumptions and other implicit valuation assumptions.

31 December 2014 (R'000)		
Real discount rate: 2.5%	Valuation basis (real 1.5%)	Real discount rate: 0.5%
Accrued liabilities		
- employees	12 034	14 001
- continuation members	50 481	54 866
Total	62 515	76 251
Annual expense items		
- service cost	397	463
- interest cost	5 316	5 878
Total	5 713	7 075

31 December 2014 (R'000)		
No resignation	Valuation basis	PA (90) mortality
Accrued liabilities		
- employees	14 106	14 001
- continuation members	54 866	54 866
Total	68 972	68 867
Annual expense items		
- service cost	467	463
- interest cost	5 887	5 878
Total	6 354	6 341

**Membership data:**

Employed members (in service)	56	68
Retired members	267	264

**The principal actuarial assumptions used were as follows:**

Interest rate	8.80%	8.50%
Subsidy inflation rate (medical cost trend rate)	7.00%	7.00%

**Mortality rate:**

During employment: SA 1985/90; (2013 : SA 1985/90)

Post-employment: PA(90) ultimate life table less than 1 year age adjustment with an improvement of 0.5% per annum from 2007 onwards (2013 : PA(90 -1))

## RHODES UNIVERSITY

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS – 31 December 2014 (continued)

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#### 21. Retirement benefit obligations (continued)

##### *Post-employment medical benefits (continued):*

##### *History of post-retirement medical obligation*

Present value of defined benefit obligation as at 31 December:

2014	68 867
2013	67 612
2012	69 192
2011	61 200
2010	53 000

Experience adjustment (gain)/loss on plan liabilities:

2014	(612)
2013	(3 430)
2012	5 800
2011	(6 060)
2010	1 717

##### *Risks associated with post-employment medical benefits:*

Through its post-employment medical benefit plan, the University is exposed to a number of risks, the most important of which are detailed below:

*Inflation risk:* The risk that future CPI inflation and healthcare cost inflation are higher than expected and uncontrolled.

*Longevity risk:* The risk that pensioners live longer than expected and thus their healthcare benefit is payable for longer than expected.

#### 22. Related parties

The Department of Higher Education and Training (DHET) is considered to be a related party. The DHET is considered to exert significant influence over the University. Refer to note 11 for details of state appropriations received and note 8 for details of grants received for building and infrastructure funding.

**RHODES UNIVERSITY**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS – 31 December 2014 (continued)**

**23. Financial instruments by category**

The financial assets and liabilities of the University are classified as follows:

	<b>Category</b>	<b>2014 R'000</b>	<b>2013 R'000</b>
<b>Assets</b>			
Non-current investments	Available for sale	521 966	470 176
Non-current receivables	Loans and receivables	74 461	61 504
Receivables and prepayments	Loans and receivables	76 270	88 320
Cash and cash equivalent	Loans and receivables	183 718	189 334
Financial assets	Loans and receivables	50 400	24 900
		<u>906 815</u>	<u>834 234</u>
<b>Liabilities</b>			
Interest bearing borrowings	Other financial liabilities	1 634	500
Trade and other payables	Other financial liabilities	105 931	81 087
		<u>107 565</u>	<u>81 587</u>

The appropriate accounting policies for these financial instruments have been applied according to the categories set out above.

The fair values of the financial instruments are approximately equal to their carrying values.

**24. Financial risk management**

1. Fair value estimations

The table below analyses financial instruments carried at fair value by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)
- Inputs other than quoted prices included within level 1 that are observable for the assets or liability, either directly (that is, as prices), or indirectly (that is, derived from prices) (level 2)
- Inputs for the asset or liability that are not based on observable market data (that is unobservable inputs) (level 3)

The following table presents the University's assets and liabilities that are measured at fair value at 31 December 2014:

	<b>Level 1 R'000</b>	<b>Level 2 R'000</b>	<b>Level 3 R'000</b>	<b>Total balance R'000</b>
<b>Assets</b>				
Investments	521 966	-	-	521 966
<b>Total assets</b>	<u>521 966</u>	<u>-</u>	<u>-</u>	<u>521 966</u>

The fair value of investments is determined by quoted market prices at reporting date.



**24. Financial risk management (continued)**

The following table presents the fair value of the University's assets and liabilities that are carried at an amount other than fair value at 31 December 2014:

	Level 1	Level 2	Level 3	Total balance
	R'000	R'000	R'000	R'000
<b>Assets</b>				
Financial assets	50 400	-	-	50 400
<b>Total assets</b>	<u>50 400</u>	<u>-</u>	<u>-</u>	<u>50 400</u>
<b>Liabilities</b>				
Deferred income	-	105 077	-	105 077
	<u>-</u>	<u>105 077</u>	<u>-</u>	<u>105 077</u>

The fair value of the items in the table above are based on cash flows discounted using a market rate.

Fair values for financial instruments where the carrying amount is a reasonable approximation of fair value are not disclosed (trade receivables, cash, trade payables).

**2. Financial risk factors**

The University's activities expose it to a variety of financial risks: market risk (including currency risk and interest rate risk), credit risk and liquidity risk. The University's overall risk management processes focus on the unpredictability of financial markets and seek to minimise potential adverse effects on the University's financial performance.

Day to day risk management is the responsibility of all the management and staff of the University and is achieved through compliance with the documented policies and procedures of the University. All such policies and procedures are approved by Council or an appropriately mandated sub-committee of council.

**(a) Market risk****(i) Foreign exchange risk**

Foreign exchange risk arises from transactions which are denominated in a currency which is not the University's functional currency. The University has no significant foreign exchange exposure and therefore no formal policy is in place to manage foreign currency risk.

The only area where the University is exposed to foreign exchange risk at financial position date is in the non-current investments which include international market unit trusts which are exposed to the US dollar. The impact of a 5% increase/decrease in exchange rates with all other variables held constant on the valuation of the international asset swaps at reporting date would be R7.2 million (2013 : R6.4 million) higher/lower.

**24. Financial risk management (continued)**

ii) Price risk

The University is exposed to equity securities price risk because of investments held by the University and classified as available-for-sale investments. The University is not exposed to commodity price risk. To manage its price risk arising from investments in equity shares, the University diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Investment Committee of the Rhodes University Foundation.

At 31 December 2014, if the FTSW/JSE CPI index increases/decreases by 10% with all other variables held constant and all the University's equity instruments moved according to the historical correlation with the index, the market value of the listed equities would have been R22.035 million (2013 : R23.323 million) higher/lower. Due to the unpredictability of equity market returns, a general indicative percentage of 10% is used to highlight the changes in market value on equity investments.

(iii) Interest rate risk

The University is exposed to interest rate risk due to financial assets and liabilities bearing variable interest rates. Interest rate risk is managed by ensuring that the University's assets are invested in accounts which earn the best possible interest rates.

(b) Credit risk

Potential concentrations of credit risk consist mainly of short term cash, cash equivalent investments, trade receivables and other receivables. The University places cash and cash equivalents with reputable financial institutions.

Receivables comprise outstanding student fees, student loans, NSFAS receivables and a number of customers, dispersed across different industries and geographical areas. The University is exposed to credit risk arising from student receivables relating to outstanding fees. This risk is mitigated by requiring students to pay an initial instalment in respect of tuition and accommodation fees at or prior to registration, the regular monitoring of outstanding fees and the institution of debt collection action in cases of long outstanding amounts. In addition, students with outstanding balances from previous years of study are only permitted to renew their registration after either the settling of the outstanding amount or the conclusion of a formal payment arrangement. The student loans outstanding at year-end have been appropriately assessed. The collection of the NSFAS receivable is managed by NSFAS. The University recognises the recoverable amount based on prior recoveries made by NSFAS.

Where considered appropriate, credit evaluations are performed on the financial condition of customers other than students.

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability through an adequate amount of committed credit facilities and the ability to close out market positions. Council, through the Finance and General Purposes Committee, and management of the University monitor the University's liquidity on an ongoing basis.

**RHODES UNIVERSITY**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS – 31 December 2014 (continued)**

**24. Financial risk management (continued)**

(c) Liquidity risk (continued)

The table below analyses the University's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	<b>Within 1 year R'000</b>	<b>Between 1 and 5 years R'000</b>	<b>Later than 5 years R'000</b>
<b>At 31 December 2014</b>			
Interest-bearing borrowings	829	1 004	-
Trade and other payables	107 895	-	-
	<u>108 724</u>	<u>1 004</u>	<u>-</u>
<b>At 31 December 2013</b>			
Interest-bearing borrowings	320	221	-
Trade and other payables	81 087	-	-
	<u>81 407</u>	<u>221</u>	<u>-</u>

(d) Capital risk management

The University's objectives when managing capital are to safeguard the ability of the University to continue as a going concern and meet its stated objectives. This objective is met through careful consideration by the Council each year of the critical strategic objectives of the University.

**25. Events after reporting period**

No matters which are material to the financial affairs of the University have occurred between 31 December 2014 and the date of approval of the Annual Financial Statements.

## 1. Accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

### 1.1 Basis of Preparation

The consolidated financial statements of the Rhodes University (the University) have been prepared in accordance with International Financial Reporting Standards (IFRS) and in the manner prescribed by the Minister of Education in terms of section 41 of the Higher Education Act 1997 (Act No. 101 of 1997), as amended. The consolidated financial statements have been prepared under the historical cost convention as modified by available-for-sale financial assets, which are carried at fair value.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the University's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are valuation of employee benefits, impairment of receivables and valuation of certain available-for-sale investments.

#### a) *New and amended standards adopted*

The University has adopted the following new and amended standards as of 1 January 2014:

- Amendment to IAS 32 – Financial Instruments: Presentation. The IASB has issued amendments to the application guidance in IAS 32, 'Financial instruments: Presentation', that clarify some of the requirements for offsetting financial assets and financial liabilities on the statement of financial position. As the amendment only impacts presentation aspects, there is no impact on the University's reported profits.
- Amendments to IFRS 10 - Consolidated Financial Statements. The amendments mean that many funds and similar entities will be exempt from consolidating most of their subsidiaries. Instead they will measure them at fair value through profit or loss. The amendments give an exception to entities that meet an 'investment entity' definition and which display particular characteristics. The impact of the amendment is not material.
- Amendments to IAS 36, impairment of assets. These amendments address the disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less cost of disposal. As the amendment only impact presentation aspects, there is no impact on the results of the University.
- Amendment to IAS 19 regarding defined benefit plan. These narrow scope amendments apply to contributions from employees or third parties to defined benefit plans. The objective of the amendments is to simplify the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary. The impact of the amendment is not material.
- Amendment to IFRS 13, 'Fair value measurement'. When IFRS 13 was published, paragraphs B5.4.12 of IFRS 9 and AG79 of IAS 39 were deleted as consequential amendments. This led to a concern that entities no longer had the ability to measure short-term receivables and payables at invoice amounts where the impact of not discounting is immaterial. The IASB has amended the basis for conclusions of IFRS 13 to clarify that it did not intend to remove the ability to measure short-term receivables and payables at invoice amounts in such cases. The impact of the amendment is not material.

**1. Accounting policies (continued)**

**1.1 Basis of Preparation (continued)**

- IAS 24, 'Related party disclosures'. The standard is amended to include, as a related party, an entity that provides key management personnel services to the reporting entity or to the parent of the reporting entity ('the management entity'). The impact of the amendment is not material.
- Amendment to IFRS 3, 'Business combinations'. The standard is amended to clarify that an obligation to pay contingent consideration which meets the definition of a financial instrument is classified as a financial liability or as equity, on the basis of the definitions in IAS 32, 'Financial instruments: Presentation'. The standard is further amended to clarify that all non-equity contingent consideration, both financial and non-financial, is measured at fair value at each reporting date, with changes in fair value recognised in profit and loss. The impact of this amendment is not material to the University.
- IAS 16, 'Property, plant and equipment', and IAS 38, 'Intangible assets'. Both standards are amended to clarify how the gross carrying amount and the accumulated depreciation are treated where an entity uses the revaluation model. This amendment has no impact on the University as the amendment was only a clarification.
- Amendment to IFRS 13, Fair value measurement. The amendment clarifies that the portfolio exception in IFRS 13, which allows an entity to measure the fair value of a group of financial assets and financial liabilities on a net basis, applies to all contracts (including non-financial contracts) within the scope of IAS 39 or IFRS 9. The impact of the amendment is not material.
- Amendment to IFRS 3, Business combinations. The standard is amended to clarify that IFRS 3 does not apply to the accounting for the formation of any joint arrangement under IFRS 11. The amendment also clarifies that the scope exemption only applies in the financial statements of the joint arrangement itself. The impact of the amendment is not material.

*b) Standards and amendments to existing standards that are not yet effective and have not been early adopted by the University*

The following standards and amendments to existing standards have been published and are mandatory for the University's accounting periods beginning on or after 1 January 2015 or later periods. These standards have not been early adopted.

- Amendments to IFRS 10, Consolidated financial statements and IAS 28, Investments in associates and joint ventures on sale or contribution of assets. The IASB has issued this amendment to eliminate the inconsistency between IFRS 10 and IAS 28. If the non-monetary assets sold or contributed to an associate or joint venture constitute a 'business', then the full gain or loss will be recognised by the investor. A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.
- Amendments to IAS 1, Presentation of financial statements disclosure initiative. In December 2014 the IASB issued amendments to clarify guidance in IAS 1 on materiality and aggregation, the presentation of subtotals, the structure of financial statements and the disclosure of accounting policies.
- Amendments to IAS 19, Employee Benefits. Discount rate: regional market issue. The amendment to IAS 19 clarifies that market depth of high quality corporate bonds is assessed based on the currency in which the obligation is denominated, rather than the country where the obligation is located. When there is no deep market for high quality corporate bonds in that currency, government bond rates must be used.

## RHODES UNIVERSITY

### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - 31 December 2014 (continued)

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#### 1. Accounting policies (continued)

##### 1.2 Consolidation

Subsidiary entities are those entities over which Rhodes University has the power, directly or indirectly, to exercise control. All subsidiaries are consolidated, except if control is expected to be temporary, or if there are long term restrictions on the transferability of funds. Subsidiaries are consolidated from the date on which effective control is transferred to Rhodes University and they are de-consolidated from the date that control ceases. All inter-entity transactions, balances and unrealised surpluses and deficits are eliminated.

Uniform accounting policies are applied for all entities consolidated.

The following entity is included in the consolidated financial statements of Rhodes University:

- David Rabkin Project for Experiential Journalism Training (Pty) Ltd (trading as Grocotts Mail)

##### 1.3 Income recognition

Revenue is generally recognised at the fair values of the consideration received for goods or services rendered. Revenue is shown net of value-added tax, returns, rebates and discounts. The University recognises revenue when the amount of income can be reliably measured, it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the University's activities as described below.

###### 1.3.1 State appropriations: Subsidy and grant income

State appropriations and grants for general purposes are recognised as income in the financial year to which the subsidy relates. Appropriations for capital expenditure purposes are set off against the cost of the assets as incurred. Unspent amounts are retained in deferred income as a current liability.

###### 1.3.2 Tuition and accommodation fee income

Tuition and fee income is only recognised when the amount can be measured reliably and future economic benefits will flow to the University. Tuition fees are recorded as income in the period to which they relate. To the extent that this income may not be realised, provision is made for the estimated irrecoverable amount. Deposits provided by prospective students are treated as current liabilities until the related fees become due to the University.

###### 1.3.3 Designated income

Income received for designated specific purposes will arise from contracts, grants, donations and income on specifically purposed endowments. In all instances any such income is recognised as income in the financial period when the University is entitled to use those funds. Thus funds that will not be used until some specified future period or occurrence are held in an appropriate fund until the financial period in which the funds can be used. Prior to that time the amount is appropriately grouped in one of the restricted funds comprising aggregate funds. These are treated as "transfers" on the statement of comprehensive income.

###### 1.3.4 Interest income

Interest is recognised on a time allocation basis, taking account of the principal outstanding and the effective interest rate over the period to maturity, when it is determined that such income will accrue to the University. When impairment of a debtor occurs, the University reduces the carrying value to the recoverable value. The recoverable value represents the future cash flow, discounted as interest over time. Interest income on loans in respect of which impairment has been recognised is recognised at the original effective interest rate.

## RHODES UNIVERSITY

### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - 31 December 2014 (continued)

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#### 1. Accounting policies (continued)

##### 1.3 Income recognition (continued)

###### 1.3.5 Dividend income

Dividends are recognised when the University's right to receive a dividend is established.

###### 1.3.6 Donations and gifts

Donations and gifts are recognised on receipt. Donations in kind are recognised at fair value.

###### 1.3.7 Rental income

Where the University retains the significant risks and benefits of ownership of an item under a lease agreement, it is classified as an operating lease. Receipts in respect of the operating lease are recognised on a straight-line basis in the statement of comprehensive income over the period of the lease.

###### 1.3.8 Student deposits

Deposits provided by prospective students are treated as current liabilities.

###### 1.3.9 Other non-recurrent income

This revenue comprises sundry revenue including cost recoveries.

##### 1.4 Research costs

Research costs are expensed in the period in which they are incurred.

##### 1.5 Reserve Funds

###### 1.5.1. Unrestricted use fund

The unrestricted operating fund reflects the University's subsidised activities and also includes tuition fees. Additions to these funds mainly comprise formula-subsidy, tuition fees and the sales and services of educational activities, as well as transfers from other funds to finance expenditure. Expenditure mainly comprises direct expenses in academic departments for training, research and community service, as well as other support service expenses, such as academic administration, library facilities, bursaries and loans. Institutional expenses, such as expenses incurred for the executive, student services, information technology and operating costs regarding land and buildings, are also recorded here.

###### 1.5.2. Restricted funds

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

###### 1.5.3. Council-designated funds

These funds fall under the absolute discretion and control of Council, for example, sales of goods and services, non-prescriptive donations and grants, income from investments that are not held as cover for trust funds, specific purpose endowments or administrated funds.

###### 1.5.4. Property, plant and equipment funds

The amount in property, plant and equipment funds represents that portion of the University's fixed assets that is financed from own funds.

**1. Accounting policies (continued)**

**1.6 Foreign currencies**

Foreign currency transactions are accounted for at the exchange rates prevailing at the date of the transactions. Gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies, are recognised in the statement of comprehensive income in the year in which they arise. Such balances are translated at year-end exchange rates.

**1.7 Financial Instruments**

Financial instruments carried on the statement of financial position include cash and bank balances, investments and loans, receivables, trade payables and borrowings. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

The carrying amounts for the following financial instruments approximate their fair value: cash and bank balances, investments, receivables, trade creditors and borrowings. Purchase and sale transaction of financial instruments are accounted for at trade date.

**1.8 Financial assets**

The University classifies its financial assets in the following categories: loans and receivables, and available for sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

**1.8.1 Loans and receivables**

Loans and receivables included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The University's loans and receivables comprise 'Trade and other receivables' and cash and cash equivalents. Loans and receivables are carried at amortised cost using the effective interest rate. Loans and receivables are impaired on a basis similar to trade receivables set out in 1.8.2 below.

**1.8.2 Trade receivables (including student debt)**

Trade receivables are non-derivative financial assets with fixed or determined payments that are not quoted in an active market. Financial assets classified as receivables are initially recognised at fair value plus transaction costs. Subsequent to recognition, receivables are carried at amortised cost using the effective interest rate method less provision for impairment. Short-term receivables with no stated interest are measured at the original invoice amount if the effect of discounting is immaterial. A provision for impairment for trade receivables is established when there is objective evidence that the University will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtor and default or delinquency in payments are considered indicators that the trade receivable is impaired. An impairment loss is recognised in profit/loss when the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is calculated as the present value of the estimated future cash flows discounted at the original effective interest rate of the instrument.

Assets that are individually significant are considered separately for impairment. When these assets are impaired, any impairment loss is recognised directly against the related asset. Assets that are individually significant and that are not impaired and groups of small balances are considered for impairment on a portfolio basis, based on similar credit risk. Impairment losses are recognised in an allowance account for credit losses until the impairment can be identified with an individual asset and, at that point, the allowance is written off against the individual asset. Subsequent recoveries of amounts previously written off are credited in the statement of comprehensive income.



**1. Accounting policies (continued)**

**1.8 Financial assets (continued)**

*1.8.3 Available-for-sale financial assets*

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intend to dispose of it within 12 months of the end of the reporting period.

Financial assets classified as available-for-sale are initially recognised at fair value plus transaction costs. Subsequent to initial recognition, available-for-sale financial assets are carried at fair value. The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. The quoted market price used for financial assets is the current bid price as per the Johannesburg Stock Exchange (JSE). If the market value of an investment cannot be determined, the investment is measured using an acceptable valuation method.

Unrealised gains and losses arising from the change in fair value are recognised directly in other comprehensive income until the asset is derecognised or impaired, at which time the cumulative gain or loss previously recognised in equity is recognised in the statement of comprehensive income. However, interest income on these items, calculated using the effective interest method, is recognised in profit/loss. Dividend income is recognised when the University's right to payment has been established and it is included in other income. Net foreign exchange gains or losses on monetary available-for-sale financial assets are recorded directly in profit/loss as part of other income or other expenses. Cumulative gains or losses accumulated in equity are recognised in profit/loss upon disposal or impairment of the financial asset, as part of net gains or losses, and are included in other income or other expenses.

Changes in the fair value of monetary securities denominated in a foreign currency and classified as available-for-sale are analysed between translation differences resulting from changes in amortised cost of the security and other changes in the carrying amount of the security. The translation differences on monetary securities are recognised in profit or loss; translation differences on non-monetary securities are recognised in other comprehensive income. Changes in the fair value of monetary and non-monetary securities classified as available-for-sale are recognised in other comprehensive income.

The University assesses at each reporting date whether there is objective evidence that a financial asset or group of assets is impaired. A financial asset is impaired if its carrying amount is greater than its estimated recoverable amount. Available-for-sale financial assets will become impaired when a significant or prolonged decline in the fair value of the investments below their cost price or amortised cost is noted. If any objective evidence of impairment exists for available-for-sale financial assets, the cumulative loss, measured as the difference between the acquisition cost and current fair value less any impairment loss on the financial asset previously recognised in profit/loss, is removed from equity and recognised in the statement of comprehensive income. If, in a subsequent period, the fair value of a debt instrument classified as available for sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit/loss, the impairment loss is reversed through the statement of comprehensive income.

**1.9 Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

**1. Accounting policies (continued)**

**1.10 Property, plant and equipment**

All property, plant and equipment is stated at historical cost, reduced by depreciation and government grants received, as applicable. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Donated property, plant and equipment is recorded at fair value at the date of the donation. Property, plant and equipment purchased with government grant funds are treated as set out in note 1.3.1.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the University and the cost of the item can be measured reliably. The carrying amount of the related asset is derecognised. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Depreciation on property, plant and equipment is calculated using the straight-line method to allocate their cost or revalued amounts to their residual values over their estimated useful lives. The estimated useful lives are:

Buildings	50 years
Furniture and equipment	6 to 10 years
Vehicles	4 to 10 years
Computer equipment	3 to 5 years

Library books and periodicals are written off in the year of acquisition.

Land is not depreciated as it is deemed to have an indefinite life.

Assets which individually cost less than R5 000 are not capitalised, but are expensed in the year of acquisition. Assets which individually cost between R5 000 and R15 000 are capitalised and written off in full in the year of acquisition.

The residual values and useful lives of all significant assets are reviewed, and adjusted if appropriate, at year end. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of comprehensive income.

Interest costs on borrowings to finance the construction of property, plant and equipment are capitalised as part of the cost of the asset during the period of time that is required to complete and prepare the asset for its intended use.

**1.11 Impairment of non-financial assets**

Non-current assets are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying value may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of an asset's net selling price and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows.

**1. Accounting policies (continued)**

**1.12 Accounting for leases**

Leases of property, plant and equipment where the University assumes substantially all the benefits and risks of ownership are classified as finance leases. Finance leases are capitalised at the estimated fair value of the leased assets, or, if lower, the present value of the underlying lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance charge is charged to the income statement over the lease period. The property, plant and equipment acquired under finance leasing contracts are depreciated over the useful life of the assets.

Leases of assets, under which all the risks and benefits of ownership are effectively retained by the lessor, are classified as operating leases. Payments made under operating leases are charged to the statement of comprehensive income on a straight-line basis over the period of the lease.

**1.13 Inventories**

Inventories are stated at the lower of cost or net realisable value. Cost is determined by the weighted average method.

**1.14 Cash and cash equivalents**

Cash and cash equivalents comprise cash in hand, deposits held at call with banks, and investments in short-term money market instruments (with low risk of value changes), net of bank overdrafts. In the statement of financial position, bank overdrafts are included in current liabilities.

**1.15 Borrowings**

Borrowings are recognised initially at fair value, net of transaction costs incurred and are subsequently stated at amortised cost. Borrowings are classified as current liabilities unless the University has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

**1.16 Trade and other payables**

Trade and other payables are carried at the fair value of the consideration to be paid for goods and services that have been received or supplied and invoiced or formally agreed with the supplier.

Other liabilities are stated at original debt, less principal repayments and amortisations. Other liabilities are classified as current unless the University has an unconditional right to defer settlement of the liability for at least 12 months after year end.

**1.17 Provisions**

Provisions are recognised when the University has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate. The increase in the provision due to the passage of time is recognised as interest expense. Provisions are not recognised for future operating losses.

**1. Accounting policies (continued)**

**1.18 Employee benefits**

*1.18.1 Accumulated annual leave*

Employee entitlements to annual leave are recognised when they accrue to employees. An accrual is made for the estimated liability for annual leave as a result of services rendered by employees up to the statement of reporting date.

*1.18.2 Pension obligations*

The University operates a defined benefit pension plan, the assets of which are held in a separate trustee-administered fund. The pension plan is funded by payments from employees and the University.

The University also operates two defined contribution provident plans. The University's contributions to these plans are charged to income as incurred.

*1.18.3 Other post-retirement benefit obligations*

The University provides post-retirement healthcare benefits to retirees employed by the institution prior to 1991. The entitlement to these benefits is based on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment, using an accounting methodology similar to that for defined benefit pension plans. Valuations of these obligations are carried out annually by independent actuaries. All actuarial gains and losses are recognised immediately in the year in which they arise in other comprehensive income.

*1.18.4 Termination benefits*

Termination benefits are payable when employment is terminated by the institution before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The institution recognises termination benefits when it is demonstrably committed to either: terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

**1.19 Taxes**

The University is exempt from income tax.