

RHODES UNIVERSITY

**ANNUAL REPORTS
AND
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 December 2015**

RHODES UNIVERSITY

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FOR THE YEAR ENDED 31 December 2015**

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DETAILS OF OFFICERS AND MEMBERS OF COUNCIL as at 31 December 2015

Officers of the University

Chancellor: Judge Lex Mpati
Principal and Vice-Chancellor: Dr Sizwe Mabizela
Acting Deputy Vice-Chancellor – Academic and Student Affairs: Professor Chrissie Boughey
Deputy Vice-Chancellor – Research and Development: Dr Peter Clayton
Chairman of Council: Vuyo Kahla
Registrar: Dr Stephen Fourie

Council

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

(Vacant)
Professor R Maharajh
Mr M K Rune
Ms T Lewin
Dr S Mosoetsa

Elected by Senate

Professor L Strelitz
Professor D A Sewry (1)
Professor R B Walker
Professor G C Wells (1)

Elected by the academic staff

Dr S Khamanga

Elected by the administrative/support staff

Ms G Armstrong
Mr A Vena

Appointed by the Makana Municipality

Clr N Gaga
(Vacant)

Elected by the Board of Governors

Dr B S Rayner (1,2,3)

Appointed by Council

The Hon Mr Justice RJW Jones
Mr V D Kahla (Chairperson) (1,3)
Ms M Schoeman
Mr H C Staple (1, 2)
Dr N Stubbs
Mr N E Woollgar (1,3)

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**DETAILS OF OFFICERS AND MEMBERS OF COUNCIL
as at 31 December 2015 (continued)**

Co-opted Members

Ms N Pityana
Mr E Motala (3)
Mr A B Steele-Gray (2)
Mr T S Tagg (1,2)

Appointed by the Students' Representative Council

Mr Z Maqubela
Mr C Rafael

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

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REPORT OF CHAIR OF COUNCIL FOR THE YEAR ENDED 31 December 2015

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 four times during the course of 2015.

The composition of the Council at the end of 2015 is recorded above. One of the five Ministerial appointments are still vacant as the person appointed has failed to take up the appointment. Also, one of the two Makana Municipality appointments was vacant but this was remedied early in the new year. Attendance at Council meetings was generally good; the overall attendance of 75% was slightly down on the 77% of the previous year but still up from the 71% of 2013. One member, a Makana Municipality nominee, disqualified herself from membership by being absent from all the meetings in a calendar year.

MEMBERS	NO OF MEETINGS ELIGIBLE TO ATTEND	NO OF MEETINGS ATTENDED
Dr S Mabizela <i>Vice-Chancellor</i>	4	4
Dr P Clayton <i>DVC (Research & Development)</i>	4	3
Professor C Boughey <i>(Acting DVC: A&SA)</i>	4	3
Ms F Loliwe <i>Minister of Education rep</i>	4	0
Dr R Maharajh <i>Minister of Education rep</i>	4	4
Mr M Rune <i>Minister of Education rep</i>	4	1
Ms T Lewin <i>Minister of Education rep</i>	4	4
Dr S Mosoetsa <i>Minister of Education rep</i>	4	2
Professor G Wells <i>Senate rep</i>	4	3
Professor L Strelitz <i>Senate rep</i>	4	4
Professor D Sewry <i>Senate rep</i>	4	4
Professor R B Walker <i>Senate rep</i>	4	2
Dr S Khamanga <i>Academic staff rep</i>	4	4
Mr A Vena <i>Admin staff rep (1 - 5)</i>	4	4
Ms G Armstrong <i>Admin staff rep (6 - 15)</i>	4	4
Clr N Gaga <i>Makana Municipality rep</i>	4	0
t.b.a. <i>Makana Municipality rep</i>	-	-
Dr B Rayner <i>Board of Governors rep</i>	4	3
Mrs M Schoeman <i>Elected</i>	4	3

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REPORT OF CHAIR OF COUNCIL FOR THE YEAR ENDED 31 December 2015 (CONTINUED)

Mr H C Staple <i>Elected</i>	4	4
Mr V Kahla <i>Elected</i>	4	4
Justice J Jones <i>Elected</i>	4	3
Dr N Stubbs <i>Elected</i>	4	2
Mr N Woolgar <i>Elected</i>	4	3
Mr B Steele-Gray <i>Co-opted</i>	4	3
Mr T Tagg <i>Co-opted</i>	4	2
Ms N Pityana <i>Co-opted</i>	4	4
Mr E Motala <i>Co-opted</i>	4	4
Mr Z Maqubela <i>SRC President</i>	3	3
Mr S Makhubo <i>SRC President</i>	1	1
Mr C Rafael <i>PGLSC Chairperson</i>	4	3

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 91%) 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 - 2015		
Goals and objectives	Performance Measure/s	Outcome/Impact
1. 2015 Enrolment Targets		
Total 8041 enrolment of students	2015 HEMIS Submission 2 - Unaudited	8013
Enrolment of 5656 undergraduate students	2015 HEMIS Submission 2 - Unaudited	5625
Enrolment of 2385 postgraduate students	2015 HEMIS Submission 2 - Unaudited	2388
Enrolment of 1584 first-time entering students (including transfer students)	2015 HEMIS Submission 2 - Unaudited	1932
Enrolment of 4744 (59%) women students	2015 HEMIS Submission 2-Unaud	4757 (59%)
Enrolment of 4906 (61%) black students	2015 HEMIS Submission 2- Unaud	5448 (68%)
Enrolment of no more than 20% international students	2015 HEMIS Submission 2-Unaud	20%

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REPORT OF CHAIR OF COUNCIL FOR THE YEAR ENDED 31 December 2015 (CONTINUED)

Enrolment of 2085 (26%) students in Science, Engineering and Technology	2015 HEMIS Submission 2 - Unaudited	2421 (30%)
Enrolment of 3254 (40%) students in Humanities	2015 HEMIS Submission 2 - Unaudited	3130 (39%)
Enrolment of 1833 (22%) students in Business/Management	2015 HEMIS Submission 2 - Unaudited	1460 (18%)
Enrolment of 869 (11%) students in Education	2015 HEMIS Submission 2 - Unaudited	1002 (13%)
Increase the numbers and proportion of postgraduate students to 2385 (30%) in 2015	2015 HEMIS Submission 2 - Unaudited	2388 (30%)
Reduce the proportion of undergraduate students from 73% in 2010 to 70% in 2015	2015 HEMIS Submission 2 - Unaudited	5625 (70%)
2. Teaching and Learning Goals for 2015		
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	Work exploring the use of educational technologies continues. This work focuses on the value of these technologies as well as on the resources needed to support their use. A post in CHERTL dedicated to supporting the use of educational technologies was finally filled at the end of 2015.
Ensure that all new academic staff members complete an assessor's course	Actual practice/s	Completion of an assessor's course has never been compulsory. Rather, academic staff members on probation are required to demonstrate that they meet a number of criteria related to teaching and assessment. Evidence of meeting the criteria is scrutinized by assessors appointed by faculties before appointments are confirmed. Support in the form of courses provided by CHERTL is available as staff work to demonstrate their competence against these criteria.
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	Rhodes University offers three Extended Programmes with an integrated foundation phase leading to the BA, BSocSci, BSc and BCom degrees. Admission to these programmes is at the discretion of deans. Advice is sought from the coordinators of Extended Programmes in making admissions decisions.
Ensure that student tutors and lab demonstrators are trained and supported	Actual practice/s	Currently, the training of tutors and laboratory demonstrators is the responsibility of the departments in which they are employed. Training is not consistent across all departments and may be more or less thorough. CHERTL provides some support for this training but arguably a post devoted to training needs to be created. This will be considered when proposals for the new University Development Grant are developed.
Ensure that there is an adequate library with appropriate holdings to support effective teaching and learning	Actual situation	Library holdings are managed by the Library Committee. Departments submit orders to the Library according to their needs. The University subscribes to numerous data bases providing access to resources. The ability to provide Library resources has been impacted severely by the fall in the rand value against foreign currencies.
Ensure that there is an advanced information and communication technology infrastructure and systems to effectively support teaching and learning	Actual practice/s	The information and communication technology infrastructure is managed by a division devoted to this purpose, the Information and Technology Services (ITS) Division which resulted from a merger of the old Information Technology Division and the Data Management Unit. The ITS Division provides the support necessary to assure that an infrastructure supportive of teaching and learning is well resourced and is of high quality.
Ensure quality assurance of learning and teaching	Actual practice/s	The quality of teaching and learning is guided by a number of policies. The implementation of these policies is the responsibility of departments and faculties.

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REPORT OF CHAIR OF COUNCIL FOR THE YEAR ENDED 31 December 2015 (CONTINUED)

3. Graduations		
Graduate 1 291 undergraduate students - 1 291 undergraduate degrees and 0 undergraduate diplomas - in 2015	2015 HEMIS Submission 2 - Unaudited	1226
Graduate 908 Honours and postgraduate diploma students in 2015	2015 HEMIS Submission 2 - Unaudited	718
Graduate 235 Masters students in 2015	2015 HEMIS Submission 2 - Unaudited	278
Graduate 61 doctoral students in 2015	2015 HEMIS Submission 2 - Unaudited	78
Graduate 571 students in science, engineering and technology 2015	2015 HEMIS Submission 2 - Unaudited	685
Graduate 513 students in business/management in 2015	2015 HEMIS Submission 2 - Unaudited	467
Graduate 976 students in humanities in 2015	2015 HEMIS Submission 2 - Unaudited	863
Graduate 435 students in education in 2015	2015 HEMIS Submission 2 - Unaudited	285
Graduate 31% of students as total % of enrolments in 2015	2015 HEMIS Submission 2 - Unaudited	29%
Graduate 23% of undergraduates as total % of enrolments in 2015	2015 HEMIS Submission 2 - Unaudited	22%
Graduate 90% of Honours and postgraduate diploma students as total % of enrolments in 2015	2015 HEMIS Submission 2 - Unaudited	79%
Graduate 26% of Masters students as % of total enrolments in 2015	2015 HEMIS Submission 2 - Unaudited	19%
Graduate 13% of doctoral students as total % of enrolments in 2015	2015 HEMIS Submission 2 - Unaudited	14%
4 Research		
Generate 365 publication units in 2015 Audit for the 2014 research outputs	Actual results - HEMIS figures	491.6 publication units were produced in the 2015 audit (from 2014 research outputs)
Have a ratio of publication units to permanent academic staff of 107% in 2015	Actual results - HEMIS figures	A ratio of 141% was achieved (from an academic headcount of 348 in 2015)
Have a trajectory of increasing publication units	Actual results - HEMIS figures	491.6 units in the 2015 audit represented a very substantial increase of 37.25 from the 454.35 units in the 2014 publication audit.
Have a trajectory of increasing ratio of publication units to permanent academic staff	Actual results - HEMIS figures	The figures above reflect a substantial increase. It is unrealistic that this rate of year-on-year increase can be maintained, and some leveling off in the next year is expected. Research is not a linear process, and the trajectory of increasing publication units only has real meaning when viewed over several years.
Establish postgraduate and research focus areas, especially in the Humanities, Commerce and Law	Actual results	Focus areas have been established in humanities and commerce. No focus area has yet emerged in law, and development work is being undertaken in that faculty.
Apply for and increase the number of SARCHI chairs	Actual practice and results	2015 saw a very substantial jump in the number of SARCHI chairs at Rhodes University from 8 to 11.
Develop strategies for increasing the available funds for new postgraduate academic programmes	Actual practice and results	Some new areas of funding were achieved, mainly linked to short term research programme grants. This objective remains an ongoing challenge.
Increase the available funds for new postgraduate academic programmes	Actual results	Internal funds for new postgraduate academic programs grew marginally, and most new funding was from outside sources in 2015 (as indicated below).
Develop strategies for increasing the available funds for research support to academic staff and new and emerging researchers	Actual practice and results	A substantial increase was realized in 2015 in the DHET research development grant, and in overall NRF funding (primarily linked to three new chairs being awarded to Rhodes University). Three new Mellon Foundation grants were attracted, and one very substantial grant from the International Social Science Council.
Develop strategies for increasing the available funds for postgraduate students	Actual practice and results	This remains a big challenge, and new avenues of funding are constantly being sought. The successes in attracting new financial aid funds in 2015 were primarily linked to the grant funding increases indicated above.
Recruit outstanding retired scholars to mentor new/next generation academics and enhance research and publishing	Actual practice and results	A number of senior scholars have been attracted or retained for mentoring purposes using funding from the Mellon Foundation and a DHET research development grant.

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REPORT OF CHAIR OF COUNCIL FOR THE YEAR ENDED 31 December 2016 (CONTINUED)

There is an adequate library with appropriate holdings to effectively support scholarship and research	Actual situation	The library is very well equipped, and a budget of R17 million was made available in the university budget for information resources in 2015.
There is an advanced information and communication technology infrastructure and systems to effectively support scholarship and research	Actual situation	The ICT infrastructure at Rhodes is well maintained, and a modernization task team has been established to examine software fitness for purpose and drive renewal.
Ensure quality assurance of research	Actual practice	Research quality assurance is assured primarily through independent peer review of publications and theses. Rhodes ISI publication rate (percentage of internationally accredited journals) in 2015 was 87%, the highest in the sector. The Rhodes University Ethical Standards Committee received national accreditation in 2015.
5. Community Engagement		
Pursue high quality community engagement and service learning that is characterised by critical and mutually respectful and beneficial interaction.	Actual practice and results	INSTITUTIONALIZED CE: 1. Annual Awards for best performing student, staff, community organization and residence – Gala Dinner held in October 2015 2. National CE Learning Symposium (three day event) held in May 2015 3. Signed MOU's with 34 Community Partners
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	1. STUDENT VOLUNTEERISM: 1.1 Student Volunteer Programme: Orientated, trained, placed and monitored 280 student volunteers in 34 community sites in Grahamstown. 1.2 High Impact Supplementary School: 20 week school for 57 pupils run in Jan/Feb 2015 1.3 Societies Outreach: working with over 400 volunteers in schools and NGO sites. Training all students before placement. 1.4 Siyakhana@Makana: Student groups doing project management with Community Partners – 320 students involved. STAFF & STUDENT VOLUNTEERISM: Planning and executing of Trading Live for Mandela Week – 60 events run across Grahamstown in July 2015 involving staff, students and broader Grahamstown society COMMUNITY OUTREACH: Residences, Halls, Sports groups and Societies all do outreach in the Grahamstown area.
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	SERVICE LEARNING: 91 Departmental CE Initiatives run (see attached) across the 6 RU Faculties. Humanities: 35 Projects and Programmes Education: 13 Projects and Programmes Law: 5 Projects and Programmes Pharmacy: 9 Projects and Programmes Commerce: 12 Projects and Programmes Science: 17 Projects and Programmes
Ensure quality assurance of community engagement	Actual practice	MONITORING AND EVALUATION: VOLUNTEERISM: each student has a reflective journal and they meet once per month with the Co-ordinator for meeting. There is a review done of the project in June and a full evaluation in December. SERVICE LEARNING: all programmes have an assessment element embedded in because it is credit bearing. ETHICS COMMITTEE: plays an important role in ensuring quality and ethical behavior PLANNING: Annual Strategic planning is done in the Directorate as well as in the 34 Community Partner sites. SITE SUPPORT: Monitoring visits are done to each site monthly

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REPORT OF CHAIR OF COUNCIL FOR THE YEAR ENDED 31 December 2015 (CONTINUED)

6. Staff: 2015		
Employ 344 permanent academic staff in 2015	HEMIS Staff Submission 1 Unaudited	348
Employ 125 senior and middle- management support staff in 2015	HEMIS Staff Submission 1 Unaudited	122
Employ 884 'non-professional' staff in 2015	HEMIS Staff Submission 1 Unaudited	892
Employ a total of 1353 permanent staff in 2015	HEMIS Staff Submission 1 Unaudited	1362
Have 181 permanent academic staff (52%) with doctoral degrees in 2015	HEMIS Staff Submission 1 Unaudited	199 (57%)
Have 110 permanent academic staff (32%) with Masters degrees in 2015	HEMIS Staff Submission 1 Unaudited	107
Have 53 permanent academic staff (16%) with other degrees in 2015	HEMIS Staff Submission 1 Unaudited	42
Increase permanent academic staff with doctoral qualifications from 178 to 181 and from 52% to 53%	HEMIS Staff Submission 1 Unaudited	199 (57%)
Increase permanent academic staff with Masters qualifications from 109 to 110 (32%)	HEMIS Staff Submission 1 Unaudited	107 (31%)
Achieve a FTE student to FTE academic staff ratio of 14.1 in 2015	HEMIS Staff Submission 1 Unaudited	14.9
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 Unaudited	Decreased to 14.9 in 2015
Increase the numbers of suitably qualified black and women academics	Actual situation	The number of black academics employed is 61 and the number of women academics employed is 123.
Increase the numbers of suitably qualified black and women senior and middle-management support staff	Actual practice/s	HR is exploring new recruitment trends to reach underrepresented groups. This include advertising on social media to reach a wider pool. We also plan to use professional conferences to create awareness of employment opportunities as Rhodes University.
Develop effective strategies for building the next generation of academics, and especially black and women academics	Actual practice/s	This is currently being addressed.
7 Infrastructure		
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	Regretfully only R5 million was fundraised for the University's "own contribution". The remaining R25 million is being funded from the accumulated infrastructure reserves which are now completely depleted.
A comprehensive ten year Infrastructure Development Plan is formulated and adopted by Council during 2015.	Actual result	A comprehensive campus spatial development plan has been developed that has been submitted to Council for approval.
A comprehensive Infrastructure Maintenance Plan (including extensive backlogs) is formulated and adopted by Council during 2015; Includes the implementation of the Archibus facilities management system.	Actual result	A high level campus maintenance plan has been developed. Regretfully the data provided by the CSIR is flawed and needs to be re-done. The implementation of the Archibus system has commenced and is making steady progress.
A new Life Sciences building is constructed and completed, within budget, by September 2015	Actual result	The Life Sciences building was completed in December 2015. The Zoology and Entomology Departments took occupation of the new building in December 2015.
A new School of Languages building is constructed and completed, within budget, by December 2015	Actual result	The School of Language building was 80% complete at the end of 2015 due to rain delays. The building was completed in March 2016.
A new postgraduate residence is constructed and completed, within budget, by April 2015	Actual result	The new postgraduate residence was completed and occupied during the 2015 academic year.

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REPORT OF CHAIR OF COUNCIL FOR THE YEAR ENDED 31 December 2015 (CONTINUED)

8. Finance		
Establishment of a financial sustainability plan	Actual result	A comprehensive analysis of the financial sustainability of the University was completed during 2015 that will form the basis for the development of both short-term and medium- to long-term sustainability plans.
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 2014/5, a balanced budget for 2015 was established and approved.
There is a zero deficit, and preferably a planned surplus to support future infrastructure development and/or other strategic priorities.	Actual result	The financial sustainability plan being developed will make provision for the levels of funding required for infrastructure, reserves and other strategic priorities.
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 2015 was 69.9%.
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 2015.
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 has been completely restructured with a view to optimising and streamlining the various areas of responsibility, including that of fundraising and income generation.
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.
9. Governance and Management		
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 2015 and reports can be provided as evidence.

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REPORT OF CHAIR OF COUNCIL FOR THE YEAR ENDED 31 December 2015 (CONTINUED)

10. Transformation		
There is an institutional transformation plan adopted by the Institutional Forum, Senate and Council	Existence of plan and adoption by relevant bodies	An institutional transformation plan has been submitted to HESA. A new plan with indicators aligned to the Durban Summit resolutions will be considered by the June sitting of Council.
There is an Equity Policy and Action Plan	Existence of plan and adoption by relevant bodies	An Equity Policy exists. An updated Equity Policy has been prepared and has been discussed by the Equity and Institutional Culture committee.
There is a dedicated Office and staff to advance transformation policies, goals and outcomes	Actual situation	There is a Directorate of Equity and Institutional Culture. The office has two and a half staff members.
Give attention to equity of access, opportunity and outcomes in all arenas	Actual practice/s	Increased attention was given to equity of access with particular attention being given to removing financial barriers to access and success.
Advance student equity in recruitment and enrolments	Actual practice/s and result	Between 2014 and 2015, the proportion of black students increased by 4%, rising from 64 to 68%, whilst the proportion of female students dropped by 1% from 60 to 59%. In this period the proportion of students on financial aid increased by 3%.
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	A staff survey undertaken in 2014 and the student protests of 2015 indicate that whilst there is some progress, there still needs to be a lot of work done to engender more inclusiveness in the culture of the institution.
There are effective strategies for recruiting black and women academics	Actual practice/s and result	HR is exploring new recruitment trends to reach underrepresented groups. This includes advertising on social media to reach a wider pool. We also plan to use professional conferences to create awareness of employment opportunities at Rhodes University.
The number of suitably qualified black and women academics is increased	Actual result	The number of black academics employed is 61 and the number of women academics employed is 123.
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	HR is exploring new recruitment trends to reach underrepresented groups. This includes advertising on social media to reach a wider pool. We also plan to use professional conferences to create awareness of employment opportunities at Rhodes University.
The number of suitably qualified black and women senior and middle-management support staff is increased	Actual result	The number of black and women support staff members employed at the Senior management level is 3 black and 8 women in total. At the middle-management level the number of black staff is 41 and the number of women at this level is 57.
The number of black and women academics is increased through institutional programmes for next generation academics.	Actual result	Is being addressed through the nGAP program.
The number of black and women academics on the University Senate is increased	Actual practice/s and result	Out of 114 members of senate in 2014, 20 were Black, 40 were female and 7 were Black female senators. In 2015 out of 111 members of senate 24 were Black, 39 female and 8 Black female senators. There was thus a 4% increase in the proportion of Black senators and a 0% increase in the proportion of female senators between 2014 and 2015.
The number of black and women members on the University Council is increased	Actual practice/s and result	Out of 27 members of council in 2014, 13 were Black, 11 were female and 6 were Black female councillors. In 2015 out of 29 council members 13 were Black, 9 female and 5 were Black female councillors. There was therefore a 3% decrease in the number of Black councillors and a 12% decrease in the number of female councillors between 2014 and 2015.
The number of black and women members on the University Board of Governors is increased	Actual practice/s and result	Out of 23 governors in 2014, 11 were Black, 5 were female and 3 were Black female governors. In 2015 out of 23 governors, 12 were Black, 5 were female, and 4 were Black female governors. There was therefore an increase of 4% in the proportion of Black and 0% in the proportion of female governors between 2014 and 2015.

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REPORT OF CHAIR OF COUNCIL FOR THE YEAR ENDED 31 December 2015 (CONTINUED)

Matters of significance considered by the Council

Transformation

At all Council meetings during 2015 the issues of transformation and name change featured prominently both in terms of the time devoted to them and in terms of their perceived importance. Council chose to consider the issue of name change within the broader context of transformation. Transformation will be an ongoing matter of the utmost importance at future Council meetings but during the year under review the Council resolved to consider the matter at five levels:

- o The social and demographic composition of our student body and academic and support staff;
- o Curriculum – contents and pedagogic philosophy and approach;
- o Visual representation – the pieces of art that adorn our public spaces;
- o Ceremonies, rituals, practices, customs, traditions, etc.;
- o Names and naming of buildings and other spaces on campus.

Transformation, and the #FeesMustFall mentioned in the next paragraph, will be addressed more fully in the Report of the Vice-Chancellor.

#FeesMustFall

The significance of the unprecedented #FeesMustFall movement is now well understood throughout the country. Suffice it to state in this report of Council that Council took the matter very seriously and gave it considerable attention at the end of 2015. Council received and extensively discussed the detailed reports it received from the Vice-Chancellor. It also took the unusual but important step of inviting a group of students to engage with Council at a formal Council meeting.

Other matters of significance

- Maintenance and infrastructure plans received urgent attention.
- It was noted that NSFAS owes Rhodes an amount of some R167m in uncollected loans.
- Approved an application for the University becoming an accredited developmental service provider.
- The significant challenges facing the Makana Municipality in terms of power supply, water supply and sewage were monitored and discussed.
- Elected a Council Vice-Chairperson for the period 2015 to 2017.
- Accepted the Institutional Forum's advice to create a high level task team to guide the Institution through the process of transformation and name change.
- Noted that management had established a task team to work on the modernization of systems.
- Approval was granted for seeking accreditation for a new Grade R diploma programme.
- Consulted the Institutional Forum on the appointment of a Deputy Vice-Chancellor (Academic & Student Affairs).
- Approved a policy on the Assessment of Student Learning.
- Approved a Procurement Policy.
- Approved the formation of an Advisory Board for the Law Faculty.
- Approved a Protocol for Students on the Use of Illicit Drugs.
- Approved an amended Policy for the Responsible use of Alcohol.
- Noted the occupation of the Council Chamber by the "Black Student Movement", gave representatives of the group the opportunity of addressing Council and noted their concerns.
- Approved an amended RU HIV and AIDS Policy.
- Approved the proposal that the two divisions, Communications & Marketing and Development & Alumni Relations, should be combined into a newly constituted single division.

RHODES UNIVERSITY

REPORT OF CHAIR OF COUNCIL FOR THE YEAR ENDED 31 December 2015 (CONTINUED)

- Approved the Terms of Reference for the Rhodes University Task Team on the future of the name of the University within the context of transformation imperatives of the University.
- Approved a Rhodes University Environmental Policy.
- Approved a revised Declaration of Academic Values.
- Approved the appointment of a Deputy Vice-Chancellor (Academic & Student Affairs).
- Approved a revised Ethical Standards Committee Handbook.
- Approved a new Leave of Absence Policy for Students.
- Approved a Database Management Policy.

Significant awards to departments, staff and students

- Council noted that Parliament had passed a motion of congratulations on the establishment of the African Research Universities Alliance (ARUA) and had called for national support of the undertaking.
- Noted a motion in Parliament congratulating the Vice-Chancellor (Dr Mabizela) on his appointment.
- SARCHI chairs were awarded to Professor Hella Lotz-Sisitka (Environmental Learning Research Centre); Professor Ruth Simbao (Fine Art) and Dr Adrienne Edkins (Biochemistry and Microbiology).
- Professor S Shackleton and her team received the Vice-Chancellor's Distinguished Community Engagement Award.
- Mr Songeziwe Mahlangu, had won the 2014 Etisalat Prize for Literature.
- Professor Tebello Nyokong had been recognized by CEO (Celebrating Excellence in Organizations) as the most influential woman in Education & Training in the SADC (Southern African Development Community) region. This followed close on the award to her of the UNESCO Medal earlier this year for Contribution to the International Development of Nanoscience and Nanotechnologies.
- Professor Martin Hill and the Biological Control Research Group were the recipients of the NSTF-Green Matter Award for outstanding contributions to biodiversity conservation, environmental sustainability and a Greener Economy.
- The Vice-Chancellor's Distinguished Senior Research Award for 2015 was awarded to Professor C Macleod in the Department of Psychology.
- The Distinguished Research Award was awarded to Dr A Edkins in the Department of Biochemistry & Microbiology.
- The Vice-Chancellor's Book Award for 2015 was awarded to Professor A Garman of the School of Journalism and Media Studies.
- The Distinguished Senior Teaching Award was awarded to Dr C Foxcroft of the Department of Music and Musicology.
- The Distinguished Teaching Award was shared by Dr J Williams of the Department of Physics & Electronics and Dr T Poole from the Department of Fine Art.
- Six Mandela Rhodes scholarships (out of 50) had been awarded to Rhodes University students.

Financial viability

As indicated in the Annual Financial Review, 2015 was an acceptable financial year for the institution, contributing to a further but insufficient increase in reserves (mainly infrastructure reserves). The consequences of the #FeesMustFall have not been fully understood but the University is greatly concerned that a small university with limited free reserves will face dire consequences.

RHODES UNIVERSITY

REPORT OF CHAIR OF COUNCIL FOR THE YEAR ENDED 31 December 2015 (CONTINUED)

Staff development and equity in 2015

A total number of 47 Rhodes staff (permanent and temporary) acquired further qualifications during 2015. Nine staff member acquired PhDs while 6 staff members acquired Masters degrees.

During 2015, 8 staff members completed a professional development course run by the Centre for Higher Education Teaching and Learning, aimed at improving the assessment of learners.

Initiatives taken to assist and encourage academic staff in completing further degrees include the provision of academic leave (2 months for every year of service) to all academics as well as the provision of additional academic leave funded by accelerated development programmes, remission of fees and student bursaries, the provision of funding for research expenses, and in many departments, the co-ordination of teaching schedules to further lessen workloads in order to maximise time that can be dedicated to completing further studies.

Developmental opportunities for support staff included the opportunity to acquire further qualifications, from NQF level 4 to 9. Provision is made for staff to enrol at Rhodes University, through the provision of remission of fees. Staff members also have the opportunity to consider studying at other higher education institutions through provision of funding. During 2015, a further 14 staff members were supported in studying at other institutions through Continuous Education funding.

Two staff members obtained Grade 12 qualifications during 2015. An isiXhosa language course was run by the School of Languages and administered by the Human Resources Division with a total of 15 staff members attending. A variety of Microsoft computer courses were presented during 2015 with a total attendance of 146 staff consisting of support and academic staff. In addition, a basic computer literacy course was presented and attended by 12 staff members. During 2015, 120 staff members attended Health and Safety related courses.

RHODES UNIVERSITY

REPORT OF CHAIR OF COUNCIL FOR THE YEAR ENDED 31 December 2015 (CONTINUED)

Employment Equity

As at 31 December 2015, the institutional profile of the number of designated staff was as follows:

Department of Labour Categories	Permanent Staff			Permanent and temporary staff		
	Black (African, Coloured, Indian)	Women	Foreign Nationals	Black (African, Coloured, Indian)	Women	Foreign Nationals
1 - Top Management	1 (50%)	0 (0%)	0 (0%)	1 (50%)	0 (0%)	0 (0%)
2 - Senior Management	3 (27%)	8 (73%)	0 (0%)	3 (27%)	8 (73%)	0 (0%)
3 - Professionally Qualified	105 (25%)	186 (44%)	43 (10%)	143 (25%)	252 (45%)	66 (12%)
4 - Skilled Technical	144 (56%)	154 (59%)	2 (1%)	178 (57%)	195 (62%)	5 (2%)
5 - Semi-skilled	223 (90%)	145 (58%)	1 (1%)	251 (88%)	166 (58%)	4 (1%)
6 - Unskilled	316 (100%)	176 (56%)	0 (0%)	344 (100%)	184 (53%)	0 (0%)
TOTAL PERMANENT	792 (63%)	669 (53%)	46 (4%)	920 (61%)	805 (53%)	75 (5%)

Table 1: Institutional Employment Equity Profile

1. Foreign nationals are international members of staff who in terms of the Department of Labour's definition are not counted as members of designated groups (i.e. Black, women and the disabled).
2. Columns reflected under A (permanent staff) show that 50% of top management and 27% of senior management are Black. This includes men and women. Also within this group of Senior Management 73% are women (of all races).
3. Columns reflected under B (permanent and temporary staff) show the percentage for all staff (permanent and contract). The numbers for top and senior management remain the same as no contract staff are appointed at this level. For professionally qualified staff, Black permanent staff constitute 25% of all staff in this category while for temporary and permanent staff, the number of Black permanent and temporary staff constitute a percentage of 25% as well.

RHODES UNIVERSITY

REPORT OF CHAIR OF COUNCIL FOR THE YEAR ENDED 31 December 2015 (CONTINUED)

As at 31 December 2015, the profile for permanent academic staff is:

Permanent Academic Staff			
Level	Black (African, Coloured, Indian)	Women	Foreign Nationals
PROFESSOR	1 (2%)	8 (16%)	4 (8%)
ASSOC PROFESSOR	5 (7%)	20 (29%)	16 (23%)
SENIOR LECTURER	16 (16%)	48 (49%)	9 (9%)
LECTURER	35 (37%)	45 (48%)	12 (13%)
JUNIOR LECTURER	3 (75%)	2 (50%)	0 (0%)
TOTAL PERMANENT	60 (19%)	123 (39%)	41 (13%)

Notes:

1. South African white men are not reflected in the table above.
2. Black refers to the designation as per the Department of Labour.
3. For lecturers, 37% of all lecturers are Black (men and women) while only 2% of professors and 7% of associate professors are Black (men and women).
4. In the case of women, 48% of all lecturers are women (all races) while 16% of professors and 29% of associate professors are women.
5. The numbers of Black staff, women and foreign nationals cannot be added together as the categories of women and Black staff are not mutually exclusive.

Composition of the student body

In 2015 student numbers totalled 8013 (up from 7519 in 2014). The details thereof are contained in the report of the Chairperson of Senate. This total was below the enrolment target of 8041. The noticeable decline in the number of undergraduate students who failed to re-register in 2014 has had a knock on effect on the 2015 students number, resulting in the targets for 2015 not being met. However, a certain recovery was made at the start of 2016.

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 public university in South Africa.

RHODES UNIVERSITY

REPORT OF CHAIR OF COUNCIL FOR THE YEAR ENDED 31 December 2015 (CONTINUED)

Campus infrastructure

During 2014 the following major infrastructure projects were undertaken:

1. Construction of a new Life Sciences building was completed.
2. An undergraduate residence was refurbished.
3. Construction of a new postgraduate residence was completed.
4. Construction of a new School of Languages building continued.
5. Refurbishment of the Cullen Bowles residence.
6. Replacement of forty year old electrical switchgear.
7. New ablution facilities for Atherstone and Graham residences.

Prominent events on campus

- A highly successful inauguration ceremony was held for our new Vice-Chancellor, Dr Sizwe Mabizela. A packed auditorium which included many dignitaries greeted his inaugural address with acclaim.
- Six successful graduation ceremonies were celebrated: a total of 2298 students graduated; a new University record of 75 PhD degrees had been reached; 61% of graduates were women, up from 60% in 2014, and 23% were international students, up from 21% in 2014. Honorary doctorates were awarded to Hugh Ramopolo Masekela, Dr Saleem Badat, Adv Thulisile Madonsela, Dr David Nthubu Koloane and Professor Francie Lund.
- 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 Dr Andrew Lofts Gray, Rev Dr Simon Gqubule, Prof Trevor Hastie and Dr Christopher Vaughan. The Emerging Old Rhodian Award, an award specifically aimed at honouring younger (40 years and under) who have excelled early in their career and shown potential for continued success, was awarded to Prof Avinash Govindjee and Ms Sikelelwa Mgabadell.

Student services

Student services are provided by the Division of Student Services (DSA). The DSA has three focus areas: namely, Student Services {Residence System, Disabilities Office, SRC, Orientation} Wellness (Health Care Centre, Career Centre, HIV office and the Counselling Centre), and Sport Administration {Sports clubs, Residence sports, Sports facilities and the Health Suite}.

Student services:

Residences

The DSA continues to manage 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. Academic results of each Hall are monitored and a longitudinal study is underway to ensure that the living spaces are also learning spaces. The wardens are to be commended for their exceptional management of the residence system during the recent protest action. The wardens engaged with students and managed some rather volatile situations. The residence system must be at the forefront of valuing and embracing 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.

RHODES UNIVERSITY

REPORT OF CHAIR OF COUNCIL FOR THE YEAR ENDED 31 December 2015 (CONTINUED)

Disabilities Office

The Disabilities Office engages with students with disabilities to ensure that wherever possible their special needs are met. Particularly challenging, but reasonably successful, have been the interventions to assist students with mobility or sight issues. For instance, students on financial aid needing spectacles were also assisted by the DSA office during 2015. A total of 51 students requested spectacles during 2015. The feedback with regards to this initiative remains positive. Installation of a lift in the building housing the DSA began in 2015.

Student Representative Council

The SRC provides support services, programs, and activities that build on student governance. The SRC consists of 15 portfolios and an annual report has been prepared for each portfolio.

Orientation

The orientation programme at Rhodes is an important introduction for new students to student life, the support services on offer, and crucially, the academic programme. At the end of a full week of introductory lectures to faculty and departmental offerings students are required to make their curriculum choices.

Wellness:

Student Wellness is dedicated to putting students' wellness first.

Health Care Centre (HCC)

The HCC remains the only university clinic in the country that provides an after-hours service. A local general practitioner is contracted to provide an in-house service to students and staff through morning sessions, after-hours emergency care and advice and guidance daily.

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 six intern psychologists were a valuable part of the team and are to be acknowledged for their hard work. The most common presenting problems at the Centre during 2015 were academic stress, depression, anxiety, and relationship issues.

Career Centre

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 continues to provide a walk-in system, appointment system, workshops and an on-line service.

Harassment and mediation

The Division offers support to victims of *harassment and discrimination* and maintains a critical incidence database.

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.

Sports Administration

Sports Administration had a very busy year culminating in a very successful end of year Sports Awards dinner. The top male and female Sports persons for the year are Cody van Wyk and Natalie Ross.

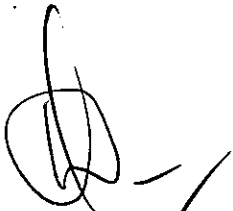
RHODES UNIVERSITY

REPORT OF CHAIR OF COUNCIL
FOR THE YEAR ENDED 31 December 2015 (CONTINUED)

Other DSA services

The *Dean of Students Pocket Money Fund*, which depends on voluntary donations, assisted 156 students with R170 pocket money for 10 months of this year. The need exceeds the capacity and this project will need to be expanded in 2016.

Get home safe program continued with 12 drivers assisting on a rotation basis every Wednesday, Friday and Saturday night. 144 Call outs were requested during 2015.



V D KAHLA
CHAIR OF COUNCIL
23 June 2016

RHODES UNIVERSITY

REPORT OF THE VICE-CHANCELLOR

The year 2015 will go down in history as a landmark year for our higher education system. At Rhodes University, it started off like any other year – supplementary examinations followed by Orientation Week, student registration and the start of the new academic year. It ended off with unprecedented events that have made 2015 a watershed year. These events, which culminated with a moratorium on fee increases in 2016, have thrown into sharp relief the serious challenge of affordability of public higher education in our country. This challenge, which has been highlighted on numerous occasions, is a direct consequence of the chronic underfunding of the public higher education system in our country. The Ramaphosa Report [*Report of the Ministerial Committee for the Review of the Funding of Universities, February 2014*] underscored this point. South Africa is amongst those countries with the lowest levels state expenditure on higher education as a percentage of the GDP. On average, OECD countries spend 1.1% of their GDP on higher education. The figure for South Africa is about 0.7% [See *OECD Indicators: Education at a Glance, 2014*].

Over the past number of years I have had the responsibility of assisting students who were academically deserving but financially needy. Throughout the course of 2015, I had numerous occasions to interact with our students on issues of financial need and transformation, more broadly.

The momentous events of 2015 have also raised some fundamental questions about transformation and what it means to a university in a society in which grinding and debilitating poverty and inequality are at every turn.

- Are we sufficiently attuned to the challenges facing our society? Are we responsive to these?
- When we promise young people of our country and beyond access to higher education, what kind of knowledge are we creating access to? What do we value as knowledge? Does that knowledge recognise and embrace the lived experiences of our students and staff? Are we placing our students at the centre of the teaching and learning enterprise?
- Do our curricula draw on wide and diverse epistemic cultures and traditions or they are still firmly oriented in one direction?
- How do we construct the teaching and learning space so that it can facilitate authentic and deep intellectual engagement where both teacher and student feel vulnerable?
- Do our assessment methods recognise the diversity of our student population? Are we giving each student a fair opportunity to demonstrate what they have learnt?

These and many other questions require our urgent attention. We must accelerate and intensify transformation in 2016 and beyond.

The challenges of funding notwithstanding, our University had a very successful 2015 academic year. In this report we highlight some of the events and significant achievements made in 2015. In the year under review, we were guided by our draft vision and mission statement:

Vision

Alive to our context and committed to social justice, academic excellence, academic freedom, institutional transformation and public accountability, we strive to be a University, as lived through our academic project by

- **Outstanding Undergraduate and Postgraduate Education:** To cultivate knowledgeable and skilled graduates who are critical, democratic citizens and ethical leaders committed to the service of Humanity.
- **Creative Scholarship and Research:** To produce knowledge that advances understanding of our natural and social worlds, social well-being and human understanding and wisdom.
- **Innovative Community Engagement:** To promote social and economic development based on respectful and mutually beneficial partnerships with diverse communities.

Mission

Rhodes University's mission is to

- Teach in ways which allow and encourage students to engage critically with knowledge and its production
- Produce knowledge so that we can advance understanding of our natural and social worlds and enrich our accumulated scientific and cultural heritage
- Apply and exchange knowledge through initiatives and activities aimed at improving quality of life and socio-economic conditions locally, nationally and internationally.

Goals and objectives

As in the past, our goals and objectives for 2015 were shaped by the following three pillars that define our core social purposes as an institution of higher learning:

- 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"¹, 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*.

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.

¹ Henry Rosovsky's vision of an 'educated person'.

RHODES UNIVERSITY

REPORT OF THE VICE-CHANCELLOR (CONTINUED)

In line with our educational goals and objectives, our University has committed itself to advancing the following ten strategic priorities:

Strategic Priorities

Our University's strategic priorities for the next ten years are:

1. *Rhodes University must enhance the quality of education and overall experience of our students.*
Building upon and enhancing its reputation for excellence in teaching and learning, and keeping with its slogan "*Where leaders learn*" Rhodes University must prepare and equip its students to become leaders who are knowledgeable, skilled and competent; leaders who are critical and democratic citizens; ethical leaders who are committed to the values of human understanding, social justice, human development and service to society.
This objective is to be achieved through excellence in teaching and learning, research and community engagement as well as in the holistic educative experience provided and available to students of Rhodes University.
2. *Rhodes University must be accessible to academically talented students from diverse racial, social, cultural, economic and class backgrounds and provide them with the support they need to succeed.*
Rhodes University affirms and asserts that diversity in the composition of the student body not only enriches the academic, social and cultural environment at Rhodes University in significant ways but also enhances students' own life experiences. Interaction with other students from diverse social, economic and cultural backgrounds contributes towards this holistic educational experience and provides students with important life skills.
This objective is to be achieved by seeking ways to promote access to the University for students from diverse backgrounds including students from poor, working class households.
3. *Rhodes University must attract, nurture and retain academic, administrative and support staff of high calibre.*
Rhodes University recognizes and affirms that its single greatest strength is its people – the academic and support staff. The University aspires to become an employer of choice, which it seeks to achieve through *inter alia*:
 - Creating and maintaining an enabling institutional culture that values people and is an intellectually rewarding space in which to work;
 - Improving our staff remuneration in order to be competitive;
 - Assisting staff in finding affordable accommodation in and around Grahamstown;
 - Creating opportunities for professional development and advancement of staff;
 - Creating clear pathways for career advancement for support and administrative staff.
4. *Rhodes University commits itself to advancing the transformation imperative.*
Rhodes University affirms and asserts that diversity of the staff body is as important as the diversity of the student body. The University is experiencing particular difficulty in appointing and retaining Black and female academic staff.
Transformation is not restricted to demographics - the University has also committed to the transformation of curricula and pedagogy.
5. *Rhodes University must create and maintain an inclusive, welcoming, affirming and positive institutional environment.*
In order to support strategic objective 4, it is critical that the organizational culture of the University be welcoming, and committed to using the power of civil and reasoned argument, logic and debate to engage differences with a view to narrowing them, breaking new ground and enhancing and deepening shared understanding.

RHODES UNIVERSITY

REPORT OF THE VICE-CHANCELLOR (CONTINUED)

6. *Rhodes University must maintain and grow the intellectual outputs and scholarly reputation of our university.*

Rhodes University is justifiably proud of its position in the top three universities producing the highest number of research outputs per academic staff member. The bulk of these research outputs however come from a relatively small group of highly productive researchers. This research base needs to be broadened considerably.

This objective is to be achieved *inter alia* by:

- Significantly increasing the percentage of academics with doctoral level qualifications to at least 70%;
- Raising the total research output for the institution by encouraging and supporting all academic staff members to produce at least one accredited output per year;
- Maintaining the postgraduate proportion of the student body to 30% whilst, at the same time, ensuring the diversity of the postgraduate population;
- Growing the number of research focus areas, with significant critical mass behind them, for which the university is known as a place of scholarly excellence across all faculties of the university.

7. *Rhodes University must ensure financial sustainability and long-term viability.*

In the light of the various challenges facing the University that have financial implications and impact, it is crucial that prudent stewardship of University resources is exercised to ensure the effective, efficient and optimal use of all university resources. The University is taking cognisance of the caution and request of the Minister that no new funding should be expected from Government in the foreseeable future. These economic realities have prompted the Vice Chancellor to declare that the University cannot do business as usual, and that extensive, innovative and tough choices will have to be made to ensure the financial viability of the University.

The modernisation of business processes and business systems is crucial for achieving this objective.

8. *Rhodes University must provide the best academic infrastructure, equipment and facilities to support our academic project.*

Over a number of years the university budget has been balanced by cutting, *inter alia*, the facilities maintenance budget. The recent CSIR campus infrastructure condition assessment has quantified the extent of the considerable maintenance backlogs.

This objective is to be achieved primarily through

- The establishment and implementation of a life-cycle infrastructure maintenance plan;
- The finalisation of the campus spatial development framework;
- The implementation of the space allocation and usage policy;
- Adequate infrastructure funding from Government.

9. *Rhodes University must actively and purposively contribute to and participate in building a vibrant and sustainable Grahamstown community.*

Rhodes University recognises 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. We identified three key areas that will underpin the University's engagement with the Makana community:

- *The Municipality*

The University is dependent upon the Municipality for the provision of basic services such as water, electricity and sanitation. Failure to provide these basic services seriously jeopardises the academic project of the University and threatens its sustainability. The University there commits to working with and alongside all levels of Government to support the Municipality to fulfil its constitutional mandate to the benefit of *all* residents of Makana.

RHODES UNIVERSITY

REPORT OF THE VICE-CHANCELLOR (CONTINUED)

- *Public Schools Education Initiative*

It is a matter of public record that the Eastern Cape Province is the worst performing province when it comes to public education. Since 2007, except for two years in 2009 and 2010, the Eastern Cape has come last of all provinces in matric pass rates. Every single year its matric pass rates have been well below the national pass rates.

In Grahamstown there is a collection of some of the best schools in the country interspersed with some of the most dysfunctional schools serving the majority of young people in this community. Rhodes University, as a caring and compassionate institution in and of this community, must partner with all related stakeholders to find ways of transforming this grim reality so that all learners are provided with the education they need and deserve.

- *Wireless connectivity*

Rhodes University, as a knowledge institution, recognises and affirms the importance of access to the internet. The University commits to establishing partnerships with the Municipality and other stakeholders with a view to making Grahamstown a wireless city with internet access available to all residents.

10. *Rhodes University must cooperate and collaborate with the other three institutions of higher learning in the region to address pressing development challenges facing our province.*

The four universities in the Eastern Cape, Nelson Mandela Metropolitan University, University of Fort Hare, Walter Sisulu University and Rhodes University, have identified a number of initiatives aimed at addressing pressing challenges facing our province. These include: Improving the quality of Basic Education; working together on developing programmes aimed at strengthening our capacity and capability to research Water; sharing of facilities and equipment.

We are pleased to report that we were able to make progress towards the realisation of most of these strategic priorities.

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 2015 were as follows:

Students	2015 target	Actual 2015 enrolment
First-time entering students	1584	1932
Total undergraduate	5611	5581
Postgraduate to Honour's level	1009	906
Master's	903	922
Doctor's	473	560
Total postgraduate	2385	2388
Occasional	45	44
Total Enrolment	8041	8013

- We exceeded our first-time entering target by 348 students.
- The actual undergraduate enrolment of 5581 is 30 (or 0.5%) below our enrolment target. This phenomenon of the non-returning of second or third year students who were in good academic standing is very concerning. We started to observe it in 2013. If it persists, it is likely to have an adverse impact on the throughput and graduation rates.

RHODES UNIVERSITY

REPORT OF THE VICE-CHANCELLOR (CONTINUED)

2015 Graduations

	Number	Percentage
Undergraduate degrees	1226	53%
Postgraduate qualifications	1074	47%
TOTAL	2300	100%
Women	1362	59%
International students	484	21%
Master's degrees	278	12%
Doctoral degree	78	3%

- We celebrated a new record of 16 PhDs from the Faculty of Humanities, up from a record of 12 in 2014.
- The Faculty of Science, which is the third largest Faculty in the University, produced more PhDs than all the other five Faculties combined!

In five of the six graduation ceremonies in April, we were honoured to award honorary doctorates to Mr Hugh Masekela, Dr Saleem Badat, Adv Thulisile Madonsela, Mr David Koloane and Prof Frances Lund.

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) is a leading national centre in the area of research on teaching and learning in higher education. The Centre makes a contribution at national and international levels to the development of quality teaching and learning. The Centre also offers short courses and formal qualifications aimed at developing our academics as professional educators.

One of the most significant and exciting achievements of CHERTL in 2015 was the launch of a series of institutional discussions called *Curriculum Conversations*. These *Conversations* which were presented by academics created a space in which they were able to share their ideas on ways in which they were responding to transformation imperatives in their disciplines. A total of eight Curriculum Conversation sessions were held with sixteen lecturers and one researcher from twelve departments.²

CHERTL is responsible for overseeing our three Extended Studies Programmes – Science ESP, Commerce ESP and Humanities ESP. Thanks to the support of CHERTL and the dedication of our Extended Studies staff, our students in the Extended Studies Programmes tend to perform better than their counterparts in the mainstream courses.

Student success rates for 2015 were as follows:

Bachelor's = 88%
Professional Bachelor's = 95%
Postgraduate Diploma = 87%
Honours = 90%

² Centre for Higher Education Research, Teaching & Learning Annual Report 2015.

RHODES UNIVERSITY

REPORT OF THE VICE-CHANCELLOR (CONTINUED)

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 2015.

The 2014 research outputs audited in 2015 continued to show a steady increase in overall accredited research outputs. Overall weighted accredited units increased to 971.6 (a 6.6% increase on 2013). We retain the position as the third most favourable research output rate per capita in the South African university system. Fifty-three percent (53%) of the accredited outputs in 2014 were due to publications, 24% to PhD graduations, and 23% to Master's graduations by thesis. The PhD contribution represented a record year, and an 8.6% increase over the previous record number graduating the preceding year. The Master's contribution also represented a new record, though only marginally (1%) up on the preceding year's figure (the previous year had seen a whopping 29% rise in this category).

Our journal output, (which accounts for 82% of our total accredited publishing output for higher education subsidy purposes) remained constant at 405 units. The previous two years had seen growths of 13% and 15% respectively in this category. Coupled with Rhodes' high volume of accredited journal outputs in relation to its size, a very pleasing quality measure is that 86% of Journal outputs (amongst the highest proportion of universities in the sector) appeared in international accredited journals.

Our output from accredited conference proceedings, (which in 2014 amounted to 6% of our total accredited publishing output) grew by 4% to 29.8 units – from a small base where year-on-year variance in either direction is common (the previous year had seen a 20% increase in this category).

Book outputs (which in 2014 amounted to 12% of our total accredited publishing output) increased by 182% – again from a small base where year-on-year variance is expected (moving up to 56.8 units). This category had seen a decrease of 41% the previous year.

Rhodes University was awarded three new DST/NRF SARCHI chairs in 2015:

- Prof Adrienne Edkins - Chair in Molecular and Cellular Biology of the Eukaryotic Stress Response
- Prof Heila Lotz-Sisitka - Chair in Global Change Social Learning Systems Development: Transformative Learning and Green Skills Learning
- Prof Ruth Simbao - Chair in Geopolitics and the Arts of Africa

A substantial increase was realised in 2015 in the DHET research development grant, and in overall NRF funding (primarily linked to three new chairs being awarded to Rhodes University). Three new Mellon Foundation grants were attracted, the largest of them a R5.9 million grant to Professor Louise Vincent for a three year research programme in Higher Education Transformation.

Professor Heila Lotz-Sisitka, as head of a multi-institutional consortium, attracted an International Social Science Council grant of R13.5 million for a three-year programme to build a Transformative Knowledge Network. It is one of only three grants awarded worldwide, and the only one led by an institution in the Global South.

Many researchers at Rhodes attracted national and international accolades. Amongst them were:

- Distinguished Professor Tebello Nyokong, who was appointed by UN Secretary General Ban Ki Moon to the new high-level panel exploring the Technology Bank, and Science and Technology Innovation Mechanism for development. She also received the UNESCO Medal for Contribution to the International Development of Nanoscience and Nanotechnologies, and was recognized by CEO (Celebrating Excellence in Organizations) as the most influential woman in Education & Training in the SADC (Southern African Development Community) region.

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- Professor Martin Hill and the Biological Control Research Group were the recipients of the NSTF-GreenMatter Award for outstanding contributions to biodiversity conservation, environmental sustainability and a Greener Economy.

Vice-Chancellor's awards

- The recipient of the 2015 Vice-Chancellor's Distinguished Senior Research Award was Professor Catriona Macleod of the Department of Psychology;
- The recipient of the 2015 Vice-Chancellor's Distinguished Research Award (in the age group 40 and below) for 2015 was Dr Adrienne Edkins of the Department of Biochemistry and Microbiology;
- The recipient of the 2015 Vice-Chancellor's Book Award for 2015: Professor Anthea Garman of the Department of Journalism and Media Studies for her book entitled *"Antjie Krog and the Post-Apartheid Public Sphere – Speaking Poetry to Power"* (UKZN Press, 2015).

It is worth noting that all the recipients of the Vice-Chancellor's awards are women.

The Postgraduate Studies Centre saw its first year of operation – an initiative to underscore our commitment to pursuing a strong postgraduate trajectory, and provide additional support for enhancing the quality, quantity, and equity of our postgraduate population.

On the 7th of October 2015 a Vice-Chancellor's Dinner was held in honour of postgraduate students who had won awards at conferences or who had had papers published in journals throughout 2015.

During the months of June and July in 2015, a number of successful national and international conferences and workshops were organised and hosted at Rhodes University.

These include:

- 17th South African Chemical Institute Inorganic Chemistry Conference (INORG2015) incorporating the Carman Physical Chemistry Symposium SACI (Prof Gary Watkins);
- International Society of Critical Health Psychology Conference (ISCHP) (Prof Catriona Macleod);
- Conference on "Environment, Race, and Land Use" organised under the auspices of the Association of University English Teachers of Southern Africa (Prof Dirk Klopper, Dr Aretha Phiri, Dr Lynda Spencer);
- Joint Congress of the Entomological and Zoological Societies of Southern Africa (Prof Martin Hill and Dr Dan Parker);
- Vuyisile Mini Winter School 2015 (Dr John Reynolds).

In addition, Rhodes University co-hosted SAIP 2015 (The South African Institute of Physics Annual Conference) with NMMU (co-chair: Professor Makaiko Chithambo) at the Board Walk Conference Centre in Port Elizabeth, and short courses were offered by the CSD, RUMEP, and ISEA.

These and other scholarly activities bring credit to our university.

Achievements in Community Engagement

1. VC'S Goals for Grahamstown

In February 2015 we set out our vision for Rhodes University, urging a fundamental repositioning of the institution, such that "our University is not just in Grahamstown but is also of and for Grahamstown". We initiated an education project "VC's Public Schools Revival Programme" which has been driven through a partnership involving the Community Engagement Directorate, Faculty of Education and GADRA education, a local NGO. Five initiatives have been conceptualised, some implemented in 2015, others to follow in 2016. They are listed below:

- **High Impact Supplementary School:** In 2015 the programme was piloted over a 4 week period at the Post Graduate Village in January and February 8h00 -17h00 each day. We registered 55 pupils, results were reasonably pleasing with 44 % of the learners improving their results and 15% of them improving their results significantly.

- **Nine-Tenths Mentoring Programme:** This programme focusses on mentoring for all Grade 12's at Mary Waters and Ntsika Secondary Schools. The programme was designed in 2015 and 120 Rhodes University mentors and 13 Team leaders were identified to tutor 143 Grade 12 learners at Mary Waters and Ntsika.
- **Virtual Learning:** This programme was piloted by the Community Engagement directorate over a 4 year period and transferred to GADRA from the start of 2016. It is now part of the VC's Public Schools Revival Programme. A learner component has been designed and 250 Rhodes volunteers from the Alan Gray Centre and Education Faculty have been targeted to do the mentoring of grade 8's in English and mathematics in 2016.
- **Parent Education Programme (PEP):** The Parent Education Programme works with Rhodes employees in the Grades 1-6 offering parent education for staff and academic support for their children. The purpose of this programme is to assist children of Rhodes staff to access tertiary education at Rhodes University. Success was recorded in 2015, with the top Grahamstown pupil coming from this group. This programme will be rolled out in 2016 reaching 170 staff members and 250 children.
- **Savings and Credit Groups:** 50% of the Rhodes staff in the Grades 1-5 have garnishee orders. In an attempt to turn a borrowing culture into a savings culture, Savings Clubs have been established and by the end of 2015 three groups were functioning reaching 42 staff members, these numbers are set to grow in 2016.

2. Student Volunteerism

There continued to be a steady growth of students volunteering in 2015 totalling 811 for the year. This number is made up of 261 students working in 34 Community Partner organisations in Grahamstown weekly, 23 Residences and Societies working with a Community partner for the year involving approximately 430 more student volunteers and an early childhood development Student Society had 120 volunteers working weekly in schools. Training for students is compulsory and monitoring is regular.

3. Service – learning and Community engaged learning

An audit of service-learning (credit bearing) and community engaged learning (non-credit bearing) programmes undertaken in 2015 revealed that there were 91 initiatives across the 6 Faculties.

	Total number of initiatives in Faculty	Service Learning	Engaged Research	Other
Humanities	34	9	6	19
Science	16	3	3	10
Commerce	17	2	4	11
Law	4		2	2
Education	12		4	8
Pharmacy	8	2	1	5
Totals	91	16	20	55

A booklet was produced to assist academics to start CE programmes. Workshops, presentation, mentoring and other mediums were also part of the support systems put in place to accelerate the number of initiatives in departments.

4. Establishment of Community Hubs and Partner engagement

Rhodes University is part of the greater Grahamstown community. In order to facilitate the engagement with the broader community two hubs have been established and MOU's have been signed with 34 partner organisations.

- 4.1 **The Joza Youth Hub** in Ncome Street is a partnership between 5 NGOs and Rhodes University working in the field of Education giving academic and life-skills support to school-going youth.

4.2 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. This HUB has grown steadily and now employs three full time staff members. The HUB is three years old, the first two years being used to visit similar NGO's in the country and designing a suitable model for Grahamstown. The model is in full implementation now and has produced 7 sustainable businesses and placed 24 individuals in jobs, learnerships or job opportunities.

4.3 Community Partners 34 community partners signed an MOU with Rhodes and were actively engaged in 2015.

5. Community Engaged Symposium

The CE Directorate ran its first Community Engaged Symposium from 4-8 May 2015. The symposium provided a platform for academics to present best practice and workshops on service learning and engaged research as well as other aspects of community engaged learning. The event attracted 84 participants from 13 South African Universities to the Symposium and it was an overwhelming success and will become an Annual event.

6. VC'S Distinguished Award

It was with great pleasure that we announced 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, as 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. Prof Chrissie Boughie presented the award at Graduation on Thursday 9th April. The competition was particularly strong in 2015.

7. Annual Gala Dinner recognising CE service

This is a highlight on the Rhodes calendar when students and community partners are recognised for their community service in Grahamstown. The highly prized award for student volunteer of the year went to Reginald Victor Runyoro, residence of the year was Guy Butler, Community Project of the year was Access Music Project, society of the year was Namibian Society and student researcher of the year went to Nomsa Chemuru and Shingirai Katsinde from Pharmacy.

8. Personal Promotions Support for Academics

In 2015 we offered support to Academics in preparing their Community Engagement portfolios for personal promotions, this was in the form of a workshop, individual support and a guide document.

9. Trading Live Mandela Week

Trading Live is an institutional event designed by the Rhodes University Community Engagement Directorate (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 2015 it was held from the 27th to the 31st July and 115 events took place across Grahamstown, we were delighted with the response. 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. We enjoyed the support of Grocotts, Rhodes Music Radio, Rhodes Transport, the Journalism department and Radio Grahamstown.

University Library Services: highlights for 2015

The Rhodes University Library (RUL) is guided by its overarching goal "To develop and maintain efficient, reliable and responsive library and scholarly communication services that promote, support and enhance the research, teaching and learning endeavours of Rhodes University"

1. 2015 Budget

The Library was allocated a budget of R39 109 000 for 2015. This represents an overall 12.52% increase, which is directly attributed to the fluctuating exchange rate and inclusion of 14% VAT on electronic resources. These two factors continue to raise concerns nationally and by being a member of the South African National Library and Information Consortium (SANLIC) and the South East Academic Libraries System (SEALS) consortium, the RUL benefits from collective negotiations and deals relating to information resources and integrated library management systems.

The Fisher Grant was also availed to Faculties "to acquire unique material that would be normally overlooked because of cost; to fill gaps in existing holdings to ensure a balanced collection; to create collections around courses that are new, being adapted and/or redefined; and generally to acquire intellectual and aesthetic material that will add value to the Library collections." The discussions around curriculum transformation also brought the Library collection under scrutiny and the need to reflect a greater diversity of thought and opinion was raised. To this end a third of the Fisher Grant was used.

2. Strategic review and reflection

A review of the RUL Strategic Plan (2012-2015) was held on 02 February 2015. Reflections and discussions for 2015 were guided by:

- A presentation by Dr Peter Clayton, DVC: Research and Development on "The Library in the Context of a Research led University"
- The Library and its value proposition
 - What are the contexts of our users?
 - What does the Library bring to users that they value?
 - Of these, which are vitally or uniquely important to our users?
 - What do we need to do differently to ensure we matter to our users?
- Drivers for change in academic libraries – the higher education landscape, economics, organization dynamics and technology
- Priorities for 2015
 - User services - Multiple literacies; redefine the Personal Librarian Programme; research visibility (Researcher ID, ORCID, Research Report, collaboration with the PGSC), Research Commons survey; repurpose library spaces, stock-take
 - E-Strategy – Open Access, Website and content management, social media/altmetrics, Digital Commons (Mandate, Collection Policy and Open Journal System)
 - Human Resources – consolidation of strategic focus areas, vacancies and job profiles, Staff development (CPD, formal education programmes and IFLA attendance)
 - Operations – infrastructure maintenance for optimal efficiency

3. Library as a place

WRITING SPACE: The Reading Room on Level 4 was used on a weekly basis by the Education Department Writing Group for writing days.

OPINION SPACE: The Library whiteboards were used as talking point sites for students on issues related to their RU & RUL experiences, #RhodeSoWhite, #FeesMustFall, loadshedding, etc. Comments were collated and forwarded to the Director: Student Affairs.

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IT HELP DESK: After discussions with RU-I&TS, it was decided to pilot locating the IT Help Desk at the RUL Circulation Desk. This Help Desk functioned in accordance with RUL hours and was staffed by two student assistants who assisted students with PC & IT-related and connectivity issues.

- According to I&TS over 3200 transactions were logged in 2015.

LOAD-SHEDDING 2015: The introduction of load-shedding from April 2015 resulted in a Library Load-shedding Protocol which ensured a stable, reliable and healthy environment. The Library continued to provide seamless support to users and availed the use of library venues - Reading Rooms, Conference Room, Meeting Room, and the News Room – to lecturers for tests, discussions and examinations, as well as a break-away venue for the ISCHP Conference (July). Regular communication with students regarding load-shedding times, safety issues and related matters via the various LCD screens in the library, the website and social media sites

- During this period, the Library was used by an average of 1374 students between 18h00 and 22h30. Under normal circumstances, an average of 823 students use the Library during these times.

A generator malfunction on 03-04 August resulted in a total blackout within the Library and with natural light it could only be used as a study space, which only a few students took up. This highlighted the fact that students do not use the Library only as a study space, but rather use it for access to information resources, computers, connectivity and study material!

24-hour access – SWOT Week, 26-29 October 2015

October 19-24 2015 will be remembered as a week that jolted the foundations of South African Higher Education through the #Feesmustfall campaign. The successful negotiations with the student leadership ensured the continuance of the planned examination schedule at Rhodes University. The Library was open 24 hours during SWOT Week (26-29 October), in support of the catch-up initiatives and reverted to scheduled examination hours thereafter. The students welcomed this initiative and made optimal use of the extended opening hours.

Rhodes Library 24-hour Statistics: 26 – 29 October 2015

	26/10/15	27/10/15	28/10/15	29/10/15	TOTAL
00:00	147	329	322	233	1031
02:00	78	223	313	164	778
04:00	45	105	198	110	458
06:00	21	56	82	84	243
TOTAL	291	713	915	591	2510

4. Cory reintegration

Senate approved on 05 June 2015 the reintegration of the Cory Library with the Rhodes University Library. The details related to this reintegration were finalized between the Library Director and the Head: Cory Library with the agreement that the full implementation commences on 01 January 2016. The implications of this reintegration relate to finances, staff, programmes and projects, infrastructure, and related matters. It was also agreed that the Cory Library will be retained as a special humanities research library with an archive orientation and a focus on the Eastern Cape. It was also agreed that the research and publishing initiatives of the Cory Library are to continue and a new Advisory Board will be identified.

5. Faculty Liaison and Training

Training in the use of information resources is integral to Faculty Liaison Services. All Principal Faculty Librarians and Faculty Librarians are involved in ensuring undergraduate and post-graduate students and academics are on the receiving end of well-structured and informative presentations and workshops. Increasingly collaboration with departments is growing, resulting in librarians working directly with subject specific training and library instruction presentations (over 300) early within a course e.g. Legal Theory 1, Commerce Extended Studies, English, Drama, History, Music, HKE, Pharmacy and Economics. Observations have been made on the positive impact on the use of academic resources and writing and efforts will be made to measure this impact in the future.

UNDERGRADUATE SUPPORT: An existing Assistant Librarian's post was upgraded to create the post of Information Literacy Co-ordinator. This was prompted by the need to support 1st year students with the transition from secondary school to university; to work directly with groups of 1st year students to understand the academic learning environment, as well as exposing students to the concepts of information literacy, plagiarism and academic writing; and to ensure the proper use of academic information and knowledge resources. Ms Fiona Charlton was appointed and assumed responsibility hereof from 15 July 2015.

6. Social Media

The RUL actively maintains the following:

- @RhodesResearch
- <https://twitter.com/RhodesLibrary>
- <https://www.facebook.com/RhodesUniversityLibrary>

7. Digital Collections

At the end of 2015, the Rhodes Digital Commons housed 11 514 unique items. Collections in the Digital Commons include:

- **Theses and Dissertations (Main Library)**

A complete electronic collection of over 5000 theses and dissertations held in the Main Library, which includes theses predating the Rhodes University inauguration in 1951. The oldest thesis currently held is dated 1928. Theses and dissertations can now be accessed under the respective faculties listed under the Rhodes University Digital Commons collections

<http://contentpro.seals.ac.za/iii/cpro/CommunityViewPage.external?jsessionid=18813A217AFCA9F4A4225F41B1FC3165?lang=eng&sp=1000011&suite=def>

- **Rhodes Newspapers: Activate**

Activate, Rhodes University's Independent Student Newspaper, originally established in 1947 as Rhodeo. The digital archive spans the issues published between 1995 and 2006. Access the archive on the Rhodes Digital Commons:

<http://contentpro.seals.ac.za/iii/cpro/CollectionViewPage.external?lang=eng&sp=1000938&suite=def>.

- **Rhodes Newspapers: Rhodeo**

Rhodeo was established in 1947, and renamed in 1994 as Activate. During apartheid Rhodeo became an active part of the struggle for freedom of expression as part of the now defunct South African Student Press Union. The digital archive spans the issues published between 1939 and 1995. Access the archive on the Rhodes Digital Commons:

<http://contentpro.seals.ac.za/iii/cpro/CollectionViewPage.external?lang=eng&sp=1000947&suite=def>.

- **Rhodos:**

The Rhodos newsletter carries news and information about events, awards, projects and developments both on and off campus. The digital archive spans the issues published between 1989 and 1998. Access the archive on the Rhodes Digital Commons:

<http://contentpro.seals.ac.za/iii/cpro/CollectionViewPage.external?lang=eng&sp=1000868&suite=def>.

- **Sir George Cory's Lantern Slide Collection:**

These slides, which Sir George commissioned to illustrate his many public lectures, are wonderful pictures of life in the early days of the Eastern Cape. Access:

<http://contentpro.seals.ac.za/iii/cpro/CollectionViewPage.external?lang=eng&sp=1000920&suite=def>

- **Derek Scott Henderson Collection:**

Derek Scott Henderson (1929-2009) was the Vice-Chancellor & Principal of Rhodes University from 1975-1995. This is a collection of miscellaneous speeches, statements and messages. Access:

<http://contentpro.seals.ac.za/iii/cpro/CollectionViewPage.external?lang=eng&sp=1000873&suite=def>

- **RUL in collaboration with the South African Institute for Aquatic Biodiversity (SAIAB) present the only complete open access archive of the Ichthyological bulletin of the J.L.B. Smith Institute of Ichthyology, as published between 1956 and 2001**

<http://contentpro.seals.ac.za/iii/cpro/CollectionViewPage.external?lang=eng&sp=1000945&suite=def>

- **A collection of photographs of a solidarity march held on Wednesday, 21 October 2015 by the Rhodes University community in solidarity with the national #FeesMustFall protest action against the current funding for higher education in South Africa.**

<http://contentpro.seals.ac.za/iii/cpro/CollectionViewPage.external?lang=eng&sp=1000954&suite=def>

8. National engagement

The 81st IFLA World Library and Information Congress was held in Cape Town from 15-21 August 2015 with the theme, ***"Dynamic Libraries: Access, Development and Transformation"***. This prestigious Congress is co-hosted by a national association with the International Federation of Library Associations and Institutions (IFLA) <http://www.ifla.org/> based in The Hague, Netherlands.

- The Library Director, Ms Ujala Satgoor, was the Co-Chair of the National Committee, which continued from her term as President, Library and Information Association of South Africa (LIASA). 12 RUL staff members attended as delegates and volunteers.
- Larshan Naicker, Head: User & Research Support Services presented a poster entitled; *"The Digital Repository as a central driver in the Open Access Research Agenda"*.
- Statistics: 3200 delegates from 112 countries in attendance; 303 papers presented, 150 posters, 300 volunteers. The Congress was supported by the Department of Arts and Culture with a grant of R7.5m
- Highlights: Cape Town Declaration 2015 – an inter-ministerial agreement on the status of libraries on the African continent, the role of libraries for the provision of universal access and in the realisation of the UN Sustainable Development Goals; Launch of the Scholarly Publishing and Academic Resources Coalition (SPARC) Africa Chapter, <http://www.sparc.afr.org/>

9. Publications

- a) V.G. And Owusu-Ansah, C.M. (2015) Implementing Information Literacy through the Personal Librarian Model: Prospects and Challenges. *Journal of Balkan Libraries Union*. 3 (2). p.28-35.
- b) Satgoor, U. (2015) Celebrating libraries in 20 years of democracy: An overview of library and information services in South Africa. *IFLA Journal*. 41 (2). p.97-111.

Peer-reviewed Proceedings

Satgoor, U. It's not Business as Usual! CPD as a Change Imperative for LIS Professionals. LIS Education and Research in a Dynamic Information Landscape. University of Cape Town, Cape Town. South Africa. November 2014.

Equity & Institutional Culture

A. Planning

The Institutional Transformation Plan was submitted to Universities South Africa. The areas of focus in the draft Institutional Transformation Plan align with the areas of focus identified in the Transformation Barometer which was developed by the Transformation Managers Forum and Transformation Strategic Group of Universities South Africa. This Barometer foregrounds the transformation of the curriculum, teaching and learning, governance, institutional culture and of staff and student profiles. The Barometer will be used by Universities South Africa to gauge the rate of transformation of public higher education institutions. The implementation of the Institutional Transformation Plan was meant to be facilitated through the implementation of the Institutional Development Plan in which transformation is/should be identified as a strategic priority, however the student protests of the 2nd half of 2015 meant that there was need for a new and updated plan to be drafted.

B. Research

1. The Institutional Culture Survey

The findings of the Institutional Culture Survey were disseminated from the 1st of April 2015. Feedback meetings were held with staff that has no access to emails. The survey findings were presented to and discussed in all faculties and with the middle managers' forum. The findings were also incorporated into the post March version of the Institutional Transformation Plan, which, as indicated above was meant to feed into the IDP. Because the findings of the survey indicated greater levels of alienation amongst the grades 1-5, meetings were held with the management in the Infrastructure and Operations divisions. As a result of these meetings, transformation workshops, in which all members of these divisions were to participate, were planned to take place in 2016. One of the outputs of the workshops will be an IOF Division transformation plan. The HR division also began using the findings of the survey to inform changes in HR systems.

2. Disability research:

One of the pieces of research commissioned and for which a proposal was developed is a study that will enable the institution to plan for the inclusion of individuals with impairments and for advocacy, fundraising, and raising awareness about disability issues and the reviewing of the institution's disability policies. This work will be completed in 2016. The other main piece of research that was commissioned is an investigation into how governance structures (and their manner of functioning) impact on transformation.

C. Awareness Raising

1. Awareness raising calendar

The E&IC office assumed responsibility for the management of the awareness raising calendar from the beginning of 2015. As part of this programme the office introduced a disability week and together with the Disability Committee, hosted a number of well attended and received events. We also, with the help of Dr Lindsay Kelland and the GENACT planning committee, coordinated a successful Silent Protest. In our bid to increasingly position the Silent Protest as a Grahamstown rather than a Rhodes event, we invited more community groups to participate in the day's activities and we also moved the Die In from the Kaif to the Cathedral Square. We also attempted to shift the focus of our women's week events to be on gender relations rather than on women. To this end we hosted a number of workshops and talks for grades 1-5 with gender as the main theme.

2. Awareness raising in the residences

Following a number of meetings with wardens and other members of the Student Residence Management System to establish how an awareness raising programme can best be introduced to the residences, a draft residences programme was drawn up and 10 residences introduced transformation officer student leader portfolios.

D. Curriculum Conferences, Dialogues and colloquium

1. Curriculum Development and the Problem of Place conference

In April, a Curriculum Development and the Problem of Place conference was convened by the E&IC Office in partnership with the Allan Gray Centre for Leadership Ethics. The conference had strong student participation and impact. The impact included the introduction of an open curriculum conversations programme by CHERTL.

2. Art Curriculum and social Justice and Social Cohesion Project.

From May to September, the E&IC Office together with the Department of Fine Art, the Fingo Festival and the Upstart Youth Project and some local schools, partnered with the UFS and NMMU to interrogate the role of art and art schools in fostering Social Justice and Social Cohesion. In Grahamstown, this project consisted of three dialogues and a colloquium at which art work produced as part of the project and papers on the relationship between the curriculum of art schools and social justice was presented. It culminated in an art and curriculum transformation publication featuring papers and art works produced by the three institutions and their partners. Part of the colloquium's success can be attributed to the participation of Grahamstown East schools' pupils who presented art work and think pieces to the colloquium. The art work was produced in partnership with local artists as part of the overall project. This aspect of the project was designed to demystify the university and its functioning to Grahamstown East school pupils.

E. Department and Division level workshops.

Two department level transformation workshops were held in October. One was for the Department of Ichthyology and Fisheries Science and the second, a Transformation of Teaching and Learning workshop, was attended in the main by members of CHERTL. Whilst the first workshop was highly successful in terms of immediate outputs, (e.g. the department has now formed a departmental transformation forum), formal feedback solicited reveals that the second was not as successful as had been hoped. The E&IC office has resolved that different groups of transformation facilitators will be used for different workshops depending on the goals of the workshop and on the participants.

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REPORT OF THE VICE-CHANCELLOR (CONTINUED)

A third transformation workshop was held for NEHAWU stewards in December. This workshop was designed to capacitate the stewards to better represent their constituencies in university governance structures. The great extent of the need of the workshop became apparent only in the workshop itself.

F. The Equity and Institutional Culture Website

In 2015 we were finally given space and helped to develop a website through which we hope to also undertake our awareness raising work. Whilst the website is still not the site we need to have in order to better fulfil our mandate, we are attracting a good volume of traffic of students and other individuals who are interested in transformation news and in our work.

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.

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.

As one of the range of transformation imperatives at Rhodes University, the institution has joined a consortium of South African institutions eligible for Mellon Foundation funding, in a supra-institutional proposal for redressing the demographic skewness of the senior academic levels within the university. Up to now, most of our efforts at improving the demographic make-up of our academic body have been aimed at the emerging scholar levels. The proposal aims to retain and advance black academic staff in the Humanities by investing in appropriate scholarly support for academics in this category who have the potential to reach the Associate - or Full Professorial level as required by the existing promotion criteria at Rhodes in the next few years. Details of the programme will be made available once consultations with partner universities and the Mellon Foundation are more advanced.

A parallel process of engagement with the Department of Higher Education and Training is in progress about how this kind of initiative can be rolled out within scholarly areas outside of the Mellon definition of Humanities.

In 2015, we successfully won three (3) nGAP posts from the Department of Higher Education and Training.

Staff relations are collegial and healthy. The relationship between the two unions, NEHAWU and NTEU, and the university management is healthy. In 2015, new recognition agreements were signed between the University and the two unions, NEHAWU and NTEU.

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REPORT OF THE VICE-CHANCELLOR (CONTINUED)

Financial sustainability

Our University has three main 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 University finances are well managed with carefully managed cashflows and expenditure against budget allocations.

The University paid greater attention on developing strategies for its long-term financial sustainability and viability. The #FeesMustFall campaign has placed considerable pressure on the University finances as a number of academically deserving students cannot afford University education.

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

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 2015, a number of minor and major repairs were undertaken. In addition, three major building projects were completed.

- The new postgraduate residence in South Street was completed, and students took occupation of this new style of postgraduate accommodation which is designed in the format of small shared apartments.
- The new R120m Life Sciences Complex was completed and the academic departments took occupation of it later in 2015;
- Construction of the new R31m School of Languages was almost complete.

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;

RHODES UNIVERSITY

REPORT OF THE VICE-CHANCELLOR (CONTINUED)

- 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 on a quarterly basis.

Conclusion

I wish to thank our Council, Board of Governors, 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 in 2015. 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 2015 and achieved and, in some cases, exceeded most of the performance objectives it had set for itself.



DR S MABIZELA
VICE-CHANCELLOR
23 June 2016

RHODES UNIVERSITY

REPORT OF THE CHAIR OF THE FINANCE COMMITTEE OF COUNCIL

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 funded and that modest funding is available to support strategic priorities and initiatives. Any surpluses from recurring expenditure are assigned to an infrastructure reserve fund to provide firstly for the institutional contribution portion of funding received from the DHET for infrastructure development, and secondly to provide a hedge against unforeseen circumstances. 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.

During 2015 an extensive assessment of the financial sustainability of the University was carried out, and the following major areas of concern were identified:

- Declining level of State funding in real terms (the proportion of recurring income from the State further declined in 2015 from 57% to 55%);
- The University's relatively low levels of reserve funds (the primary reserve ratio in 2015 was 0,2);
- The high staff cost ratio in the central operations recurring costs of the university (71%);
- Increasing level of financial aid needed to facilitate access to the university (25% YoY increase in 2015);
- Inadequate funds to address the accumulated campus infrastructure maintenance backlogs (the facilities maintenance ratio is 65% below the recommended level).

During the latter half of 2015 the national #feesmustfall campaign resulted in the announcement by the State President of a 0% fee increase for 2016 for tuition and residence fees, and other significant fee payment concessions were made by Rhodes University. These announcements and concessions did not have any significant impact on the 2015 financial performance, but will impact on the 2016 budget and financial performance.

2015 Financial performance


The operating budget objectives were fundamentally achieved in 2015 with a net accounting surplus of R125 million. This has allowed a 14% decrease in the accumulated fund deficit reflected in the changes in equity statement. The growth in student enrolments from disadvantaged and working class backgrounds continues to increase 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 increased the impairment provision for student loans by 26% and 27% for student debtors to address the risk on collections for the 2015 financial year.

- **Central University Operations**

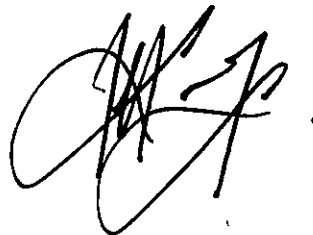
Total recurrent operating income increased in 2015 by 8.7% to R588.1m. Tuition and other fee income increased by 13.5% to R249.7m. State subsidy income for the central university operations increased year-on-year by 5.5% to R324m, but decreased as a percentage of total income from 57% in 2014 to 55% in 2015. Recurrent expenditure rose by 1.3% to R550m, attributable mainly to a personnel cost increase of 4.4% whilst other operating costs decreased by 5.9%.

- **Earmarked fund activity**
The total income increased by 8% to R289.4m. Whilst state income increased only by 1.9% to R102.7m, income from contracts increased by 36.4% to R38m. Expenditure has increased by 2.5% to R256m. The net result of the Council managed earmarked funds activity is a surplus of R33m, which represents an increase of 88% on the 2014 surplus. It must be noted that this surplus is not available for operational activities beyond those specified in the mandates governing the use of these funds.
- **Residential operations**
The residential operations budget (comprising the student residences and staff transit housing) is completely self-sustaining. Recurrent income increased by 9.3% to R192m, and recurrent expenditure increased by 19.6% to R179m largely due to a remuneration adjustment for Grades 1 to 5 staff. The net result of residence operations was an accounting surplus of R6.8m of which R5.7m has been allocated to the infrastructure refurbishment reserve fund.
- **Investments**
Long term investment portfolios are managed by the University's Board of Governors. A diminishing but still positive investment environment provided for growth of 18% on long term investments.
- **Cash flow planning**
The University has a very predictable seasonal cash flow cycle which allows any available cash to be invested in short term instruments. These investments are actively managed by the University to maximise returns which has allowed the University to operate without the need for going into overdraft.

Work commenced during the latter part of 2015 to establish a medium to long term financial sustainability plan for the University, and a short-term financial viability plan has been established to address the short-term viability of the University in the light of the #feesmustfall campaign and the 0% fee increase announcement. It is clear that should the zero fee increase be repeated in 2017 without additional state funding, the University, which has to date been operating more or less at breakeven, will experience severe financial constraints which will negatively impact the academic project of the University.



N E WOOLGAR
CHAIR: FINANCE & GENERAL PURPOSES
COMMITTEE



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

23 June 2016

RHODES UNIVERSITY

COUNCIL'S REPORT ON GOVERNANCE

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 2015 one vacancy existed for a nominee of the Minister of Higher Education and Training as one of the five persons appointed by the Minister failed to take up her position. As prescribed, 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.

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, 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. A new, comprehensive procurement policy for the institution was approved by the relevant university structures obtained final Council approval in 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.


V D Kahla
CHAIR OF COUNCIL
23 June 2016

RU Council Report on Sustainability

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. As commented in our last report for 2014, 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. Such detailed guidelines have yet to be provided. This report, as per last year, 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.

RHODES UNIVERSITY

COUNCIL REPORT ON SUSTAINABILITY (CONTINUED)

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.

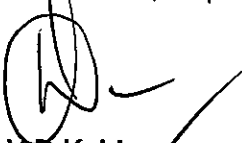
e. Academic staff

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.



V D Kahla
Chair of Council
23 June 2016

RHODES UNIVERSITY

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 2015 the Senate met on six occasions:

27 March

5 June

7 September

30 September (Special meeting)

27 October

20 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

- The position of the Cory Library within the governance structures was agreed as being within the main Library.
- The Isikhumbuzo Applied History Unit (IAHU), a research unit within the History Department, was established.

RHODES UNIVERSITY

REPORT OF SENATE (CONTINUED)

Significant developments

- Recommended for approval the Rhodes University Procurement Policy.
- Recommended for approval the Rhodes Business School Sustainability Policy.
- Referred discussion on Visual Representation, Arts and Culture to the Institutional Forum to inform its discussions on transformation.
- Recommended for approval the amended Ill-Health and Incapacity Policy.
- Recommended for approval a PQM application for a Grade R diploma programme.
- Approved the Humanities Faculty Protocol for the Upgrade of Registration from Master's by Thesis to PhD.
- Recommended for approval an Advisory Board for the Faculty of Law.
- Approved the submission of the Institutional Transformation Plan to HESA.
- Approved proposed amendments to the Composition of the Student Services Council.
- Recommended for approval the amended Policy for the Responsible Use of Alcohol.
- Received a delegation from the Black Students' Movement on the issue of vacation accommodation.
- Recommended for approval a Rhodes University Environmental Policy
- Noted that the MBA had been accredited by the Association of MBAs (AMBA) for a period of three years.
- Approved the revised Declaration of Academic Values.
- Approved a proposal of a Senate appointed task team on the provision of short vacation accommodation for needy students.
- Noted the accommodation reached between the University and the students with regard to the #FeesMustFall campaign (these were mostly related to fee payment arrangements for 2016 and supplementary examinations being extended to all students).
- Recommended for approval a revised Ethics Policy.

Composition and size of the student body

The tables below illustrate the composition of the student body in 2015. They also indicate the very pleasing and generally improving success rates and the significant progress in addressing student access and equity.

<u>Race</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
African	3877	4048	4169	4688
Indian	289	304	365	420
Coloured	284	280	296	340
White	2945	2853	2682	2565
TOTAL	7395	7485	7512	8013

<u>Degree</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
	<u>Success Rate</u>			
Bach	86	85	86	88
4year	90	88	90	95
PG Dip	93	88	86	87
Hons	89	89	92	90

RHODES UNIVERSITY

REPORT OF SENATE (CONTINUED)

Tuition fees

Tuition and residence fees in 2015 were 9% higher than in 2014.

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 2015:

	2013 R'000	2014 R'000	2015 R'000
NSFAS	32 459	35 053	36 287
Rhodes Council	27 848	31 112	34 100
Total	<u>60 307</u>	<u>66 165</u>	<u>70 387</u>
Number supported	932	949	1 127

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.

A matter of concern is the very low recovery rate of RU Council loans by NSFAS. Some R167m of Rhodes funds has not been collected. The University is thus seeking registration as a Development Credit Provider and will no longer be supplementing NSFAS via the NSFAS scheme.

The full amount for 2015 for bursaries and scholarships was:

	R
By the University from outside funders or from own funds	83 277 744
Outside funding directly to students	31 327 401
Provincial Government funding directly to students	13 127 828
Post graduate Rhodes Council loans	1 977 966
Postgraduate NSFAS funds	2 304 900
Undergraduate NSFAS funds	36 287 000
Council funding to supplement NSFAS	34 100 000
TOTAL	<u>202 402 839</u>



DR S MABIZELA
VICE-CHANCELLOR

23 June 2016

RHODES UNIVERSITY

REPORT OF THE INSTITUTIONAL FORUM OF THE COUNCIL

Composition of the Institutional Forum

Dr S Khamanga *Council*
Ms J Sewry *Council*
Professor L Strelitz *Council*
Dr S Matthews *Senate (2015 – 2016) (2yr term)*
Professor J Larena *Senate (2015 – 2016) (2yr term)*
Dr S Mabizela *Management*
Dr S Fourie *Management alt (2015)*
Professor C Boughey *Management*
Mr Z Maqubela *SRC President*
Mr Z Hlatshwayo *SRC VP*
Mr L Zungu *SRC Secretary General*
Mr G Kadzere *SRC Treasurer*
Mr T Majongwe *SRC Academic*
Mr G Sandi *SRC Community Engagement*
Mr J Lekalakala *SRC Activism & Transformation*
Ms S Tyobashe *SRC Oppidan*
Ms H Raselabe *SRC Student Benefits*
Mr A Rendera. *SRC Residence*
Mr M Matika *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)*

In attendance but non-voting - one representative from each of the following:

- Equity & Institutional Culture – *Ms N Nhlapo*
- CHERTL – *Professor L Quinn*
- Oppidan – *Mr R Harris*
- PGLSC – *Mr C Rafael*
- GENACT – *Ms S Smailes*

Scheduled meetings for 2015

2 March 2015 (special meeting)
4 May 2015 (special meeting)
25 May 2015
20 August 2015
14 October 2015 (special meeting)
28 October 2015

In previous years the Institutional Forum had struggled with determining its relevance within the Institution. In practice this led to the frequent cancellation of meetings due to a lack of business and, finally, in 2014 to the inclusion of non-voting representatives of various constituencies within the University and a new mandate to review and comment on the work of various University Committees which dealt broadly with transformation matters. The Institutional Forum mandate continued to include its statutory duties as set out in the Higher Education Act.

RHODES UNIVERSITY

REPORT OF THE INSTITUTIONAL FORUM OF THE COUNCIL (CONTINUED)

In 2015 the Institutional Forum received a new lease of life. Although it continued its review of the work of University committees it was also called upon to provide important guidance to the Council on two crucial issues and in responding to these issues it successfully brokered ways forward which found general acceptance in Council, Senate and the University community as a whole. These additional important tasks led to no less than three special meetings being convened during the year.

Appointment of a Deputy Vice-Chancellor (Academic & Student Affairs)

As per the Higher Education Act, Council must seek the advice of the Institutional Forum on the selection of candidates for senior management positions. This Council did with regard to the appointment of a DVC (A&SA). The original proposal was that the post of Dean of Teaching & Learning be disestablished and that some of the functions of that role be incorporated into the post of Deputy Vice-Chancellor: Academic & Student Affairs. It further proposed that the current Dean of Teaching and Learning be screened for the role as DVC: A&SA. The Institutional Forum approved the recommendations but expressed concern about the appropriateness of a screening process.

Council subsequently agreed to a full selection process rather than a screening. At the conclusion of the selection process the Institutional Forum was again consulted and provided the following advice to Council: "While the Forum was disappointed that the Selection Committee did not achieve its self-stated goal of appointing a black woman to the position of DVC: Academic and Student Affairs in order to advance transformation at Rhodes, it acknowledged that the process had been fair and correct. The Forum therefore advised Council to act on the recommendation of the Selection Committee" thereby facilitating the successful conclusion of a potentially divisive issue.

Transformation and name change

Early in 2015 calls for urgent attention to transformation and name change led to the Council again seeking the advice of the Institutional Forum.

The Forum was requested to provide guidance on the process that needed to be followed in considering the future of the name of Rhodes University, and, further, to advise on the timeframes for the resolution of the future of the name. The Forum recommended a two stage process whereby it would first be established whether or not there was support for a name change and, secondly, depending on the outcome of the first stage, a second stage to discuss the process for actioning the decision.

The Forum advised the Rhodes University Council that a Task Team be appointed to investigate the possibility of a name change. Council subsequently accepted this advice subject to the issue of a name change being considered within the broad issue of transformation.

The Transformation Forum was tasked with drawing up the terms of reference for the task team, of seeking nominations for membership of the task team from the broader Rhodes community and of proposing the final composition of the task team to Council. Through the use of sub-committees and special meetings of the Forum the tasks were completed and approved by Senate and Council. The role of the Institutional Forum in taking the matter forward was highly significant.

Review of committee work

The committee minutes which the Institutional Forum reviews are:

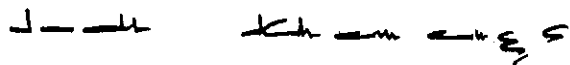
The Teaching and Learning Committee;

The Equity and Institutional Culture Committee;

The Gender Action Forum;

The Language Committee; and

The Research Committee.



Dr S Khamanga
Senate Representative
CHAIRPERSON (ROTATIONAL)
23 June 2016

RHODES UNIVERSITY

REPORT ON INTERNAL ADMINISTRATIVE/OPERATIONAL STRUCTURES AND CONTROLS

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.

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, out-dated 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.



H GUSTAPLE
CHAIR: AUDIT COMMITTEE
23 June 2016

RHODES UNIVERSITY

REPORT ON ENTERPRISE RISK MANAGEMENT

During 2015 the University's Risk Management Committee met twice. The third meeting was cancelled due to student unrest.

The Risk Management Committee reviews all risks, financial and non-financial, and ensures that all risks are listed in a central risk register within the Risk Management Unit, and that the Unit reports via the Risk Management Committee to the Audit Committee of Council.

The Risk Management Committee 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.

During the current year all listed risks facing the University were circulated to all Senior Management as well as to all Directors, HOD's and Managers for review to ensure that the listings are still relevant and updated and added to where necessary. This approach is in line with the institution's adopted model and strategy of not locating all responsibility within the Risk Management Unit. Reliance is placed 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. The framework and key features of the risk management system is outlined and publicised on the University's web page.

The most significant risks facing the University relate to the issues which have resulted in student unrest and protests, the inability of being able to fully maintain the campus buildings and structures largely due to lack of funding and the inability of the Municipality to provide reliable basic services.

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

The custodian of whistle blowing at the University is the Risk Management Unit which 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 current year, other than as mentioned in this report, no incidences requiring investigation were reported.

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.



H C STAPLE
CHAIRPERSON
AUDIT COMMITTEE
23 June 2016



DR S MABIZELA
CHAIRPERSON
RISK MANAGEMENT COMMITTEE

RHODES UNIVERSITY

COUNCIL'S STATEMENT OF RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Council is responsible for the preparation and fair presentation of the financial statements of Rhodes University. The financial statements, presented on pages 58 to 93 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.

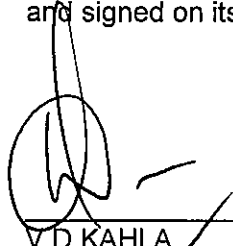
The "going concern" basis has been adopted in the preparation of the financial statements. The Council has no reason to believe that the University will not be a "going concern" in the foreseeable future based on forecasts and available cash resources.

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 58 to 93 were approved by the Council on 23 June 2016, and signed on its behalf by:



V D KAHLA
CHAIR OF COUNCIL



DR S MABIZELA
Vice-Chancellor



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 and separate financial statements of the Rhodes University and its subsidiaries and its subsidiaries (the "University") as set out on pages 58 to 93, which comprise the consolidated statement of financial position as at 31 December 2015, the consolidated statement of comprehensive income, statement of changes in funds and the statement of cash flows for the year then ended, as well as 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 (HEA) 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 entity'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 entity'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.

.....
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

Chief Executive Officer: T D Shango

Management Committee: T P Blandin de Chalaïn, S N Madikane, P J Molhibe, C Richardson, F Tonelli, C Volschenk

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. 4950174582.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Rhodes University and its subsidiaries as at 31 December 2015 and their financial performance and cash flows for the year then ended, in accordance with International Financial Reporting Standards and the requirements of Higher Education Act of South Africa.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) and the general notice issued in terms thereof, we have a responsibility to report findings on the reported performance information against predetermined objectives for the selected objectives presented in the annual report, non-compliance with legislation and 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 for the following objectives presented in the annual performance report of the University for the year ended 31 December 2015:

- Objective 1: 2015 Enrolment Targets on pages 4 to 5;
- Objective 2: Graduations on page 6;
- Objective 3: Staff 2015 on page 8;
- Objective 4: Finance on page 9;

We evaluated the reported performance information against the overall criteria reliability.

We assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

We did not identify any material findings on 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 controls relevant to our audit of the financial statements and compliance with legislation. We did not identify any significant deficiencies in internal controls.

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 2014 to 31 December 2014	20 July 2015
Department of Higher Education and Training - Infrastructure Funding Progress Report	Agreeing of expenditure to contracts and supporting documentation	1 February 2014 to 31 January 2015	24 March 2015
Department of Higher Education and Training - Financial data Submission	Agreeing of financial data to the Financial Statements	1 January 2014 to 31 December 2014	26 June 2015
Department of Higher Education and Training – Clinical Training	Agreeing of expenditure to contracts and supporting documentation	1 February 2014 to 31 January 2015	26 March 2015
Department of Economic Development, Environmental Affairs and Tourism- Grant	Agreeing of expenditure to contracts and supporting documentation	1 July 2012 to 30 June 2015	31 July 2015
Clinical Training Enrolments- 2014	Agreeing student data to underlying records and Financial data to contracts and supporting documentation	1 January 2014 to 31 December 2014	30 June 2015
Department of Higher Education and Training- Strengthening Postgraduate Supervision Grant	Agreeing of expenditure to contracts and supporting documentation	1 April 2014 to 31 March 2015	20 May 2015
Department of Higher Education and Training – Research Articles	Agreeing research articles claim to supporting journals and publications	1 January 2014 to 31 December 2014	7 May 2015

Engagement Name	Purpose of Engagement	Period Covered	Period Covered
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 to 28 February 2014	28 April 2015
National Research Foundation – NRF Grants	Agreeing of expenditure to contracts and supporting documentation	1 January 2014 to 31 December 2014	12 March 2015
National Research Foundation – THRIP Grants	Agreeing of expenditure to contracts and supporting documentation	1 January 2014 to 31 December 2014	21 April 2015
DST/Mintek NIC Consortium - Research Grant	Agreeing of expenditure to contracts and supporting documentation	1 April 2014 to 31 March 2015	13 April 2015
Investec Commerce Foundation	Agreeing of expenditure to contracts and supporting documentation	1 February 2014 to 31 January 2015	24 March 2015
Centre for Social Development – Grant	Agreeing of expenditure to contracts and supporting documentation	1 January 2014 to 31 December 2014	19 February 2015
Rhodes University Maths Education Project	Agreeing of expenditure to contracts and supporting documentation	1 January 2014 to 31 December 2014	31 March 2015
Sishen Iron Ore Community Development Trust	Agreeing of expenditure to contracts and supporting documentation	1 January 2014 to 31 December 2014	25 March 2015
Teacher Development Grant -Collaborative	Agreeing of expenditure to contracts and supporting documentation	1 April 2014 to 28 February 2015	21 April 2015
Teacher Development Grant -Programme	Agreeing of expenditure to contracts and supporting documentation	1 April 2014 to 28 February 2015	29 April 2015

Engagement Name	Purpose of Engagement	Period Covered	Period Covered
Teacher Development Grant -Combined	Agreeing of expenditure to contracts and supporting documentation	1 April 2014 to 28 February 2015	26 June 2015
Teacher Development Grant -CHERTL	Agreeing of expenditure to contracts and supporting documentation	1 April 2014 to 28 February 2015	21 April 2015
Research Development Grant	Agreeing of expenditure to contracts and supporting documentation	1 April 2014 to 28 February 2015	28 April 2015
Department of Environmental Affairs- Grant	Agreeing of expenditure to contracts and supporting documentation	15 September 2014 to 31 March 2015	20 May 2015

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 2014 to 31 December 2014	24 April 2015

PricewaterhouseCoopers Inc.

PricewaterhouseCoopers Inc.

Director: A Rathan
Registered Auditor
23 June 2016

RHODES UNIVERSITY

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
at 31 December 2015**

	Notes	2015 R'000	2014 R'000
ASSETS			
Non-current assets		960 521	906 790
Property, plant and equipment	1	400 142	380 486
Investments	2	557 544	521 966
Loans and receivables	3	2 835	4 338
Current assets		284 550	299 056
Inventories	4	4 845	4 856
Receivables and prepayments	5	84 312	60 082
Cash and cash equivalents	6	164 993	183 718
Financial assets	7	30 400	50 400
Total assets		<u>1 245 071</u>	<u>1 205 846</u>
EQUITY AND LIABILITIES			
Equity funds		1 028 896	906 094
Property plant and equipment funds		385 007	363 897
Council managed earmarked funds		226 824	187 959
Council directed funds		417 065	354 238
Non-current liabilities		61 330	78 276
Interest-bearing borrowings	9	334	816
Retirement benefit obligations	21	60 996	77 460
Current liabilities		154 845	221 476
Deferred income	8	30 442	105 077
Trade and other payables	10	113 747	105 931
Leave pay accrual		10 043	9 650
Current portion of borrowings	9	613	818
Total equity and liabilities		<u>1 245 071</u>	<u>1 205 846</u>

RHODES UNIVERSITY
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 December 2015

	2015					2014	
	Council Directed Fund Activities				Council Managed Earmarked Fund Activities		
	Notes	Central operations R'000	Accommo- dation R'000	Endowed funds R'000	SUB- TOTAL R'000	TOTAL R'000	TOTAL R'000
TOTAL INCOME		591 560	192 402	124 611	908 573	289 427	1 198 000
RECURRENT ITEMS		588 135	192 076	24 127	804 338	269 484	1 073 822
State appropriations – subsidies and grants	11	323 964	-	-	323 964	102 783	426 747
Tuition and other fee income		249 742	170 141	-	419 883	29 650	449 533
Income from contracts	2	357	21 795	-	22 152	15 789	37 941
Sales of goods and services		195	140	5 331	5 666	73 424	79 090
Private gifts and grants		574 260	192 076	5 331	771 667	259 804	1 031 471
Interest and dividends	13	13 875	-	18 796	32 671	9 690	42 351
NON-RECURRENT ITEMS		3 425	326	100 484	104 235	19 943	124 178
(Loss)/profit on disposal of assets	13	(544)	1	-	(543)	1 301	838
Realised capital profits on investments		-	-	97 631	97 631	15	97 646
Other non-recurrent income		3 969	325	2 853	7 147	18 547	25 694
TOTAL EXPENDITURE		565 260	185 571	44 134	794 965	256 394	1 051 359
RECURRENT ITEMS		549 876	179 297	44 134	773 307	255 832	1 029 139
Personnel costs	14	410 306	59 975	-	470 281	101 181	571 462
Academic professional		209 999	-	-	209 999	37 775	247 774
Other personnel		199 914	59 975	-	259 889	63 406	323 295
Leave liability increase		393	-	-	393	-	393
Other operating expenses	15	125 188	114 866	44 134	284 188	137 513	421 701
Depreciation	1	14 237	4 456	-	18 693	17 138	35 831
Finance costs	16	549 731	179 297	44 134	773 162	255 832	1 028 994
NON-RECURRENT ITEMS		145	-	-	145	-	145
Capital expenditure expensed		15 384	6 274	-	21 658	562	22 220
NSFAS Impairment		1 605	1 681	-	3 286	562	3 848
		13 779	4 593	-	18 372	-	18 372
NET SURPLUS(DEFICIT)		26 300	6 831	80 477	113 608	33 033	146 641
OTHER COMPREHENSIVE INCOME							
Items that will not be reclassified to total income/expenditure							
Retirement funding valuation adjustments	21	15 887	-	-	15 887	-	15 887
Items that may be subsequently reclassified to total income/expenditure							
Investments fair value adjustment		-	-	(37 181)	(37 181)	-	(37 181)
TOTAL OTHER COMPREHENSIVE INCOME FOR THE YEAR		15 887	-	(37 181)	(21 294)	-	(21 294)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		42 187	6 831	43 296	92 314	33 033	125 347

RHODES UNIVERSITY
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2015

Description	Accumulated Fund R'000	Endowment Fund R'000	Sub-total Council Directed Funds R'000	Contract Fund R'000	Sub-total Council Managed Earmarked Funds R'000	Property, plant and equipment Fund R'000	Total R'000
Balance at 1.1.2014	(185 954)	463 982	278 028	193 313	193 313	318 734	790 075
Retirement funding valuation adjustments	73 660	-	73 660	-	-	-	73 660
Investment fair value adjustment	-	4 010	4 010	-	-	-	4 010
Net surplus/(deficit) 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	-
Balance at 31.12.2014	(135 070)	489 308	354 238	187 959	187 959	363 897	906 094
Balance at 1.1.2015	(135 070)	489 308	354 238	187 959	187 959	363 897	906 094
Retirement funding valuation adjustments	15 887	-	15 887	-	-	-	15 887
Investment fair value adjustment	-	(37 181)	(37 181)	-	-	-	(37 181)
Net surplus before transfers	33 131	80 477	113 608	33 033	33 033	-	146 641
Funds utilised/written off	(2 545)	-	(2 545)	-	-	-	(2 545)
Transfers							
- Depreciation charge	18 693	-	18 693	17 138	17 138	(35 831)	-
- Property, plant and equipment additions	(45 635)	-	(45 635)	(11 306)	(11 306)	56 941	-
Balance at 31.12.2015	(115 539)	532 604	417 065	226 824	226 824	385 007	1 028 896

The Endowment Funds include the revaluation reserve of R 154 756 232 (2014: R190 573 340).

RHODES UNIVERSITY

CONSOLIDATED STATEMENT OF CASH FLOWS
for the year ended 31 December 2015

	Notes	2015 R'000	2014 R'000
Cash flow from operating activities			
Cash generated from operations	19	22 436	94 651
Interest received		23 556	23 007
<i>Net cash generated from operating activities</i>		<u>45 992</u>	<u>117 658</u>
Cash flow from investing activities			
Purchase of property, plant and equipment			
Funded through own cash resources		(56 941)	(82 643)
Proceeds on disposal of property, plant and equipment		2 292	689
Interest received		7 316	7 932
Dividends received		11 479	9 153
Net increase in non-current investments		(26 455)	(21 041)
Net decrease/(increase) in financial assets		20 000	(25 500)
Net advances of student, staff and other loans		(21 576)	(12 956)
<i>Net cash utilised in investing activities</i>		<u>(63 885)</u>	<u>(124 366)</u>
Cash flow from financing activities			
Interest paid		(145)	(72)
Movement on interest-bearing borrowings		(687)	1 134
<i>Net cash (utilised in)/generated from financing activities</i>		<u>(832)</u>	<u>1 062</u>
Decrease in cash and cash equivalents		(18 725)	(5 646)
Cash and cash equivalents at beginning of year		183 718	189 364
Cash and cash equivalents at end of year	6	<u>164 993</u>	<u>183 718</u>

RHODES UNIVERSITY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS – 31 December 2015

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
Year ended						
31 December 2015						
Opening carrying amount	297 469	72 612	2 956	7 449	-	380 486
Additions	32 412	16 402	4 539	1 476	2 112	56 941
Disposals/transfers	(879)	(534)	(35)	(6)	-	(1 454)
Depreciation charge	(8 441)	(17 833)	(4 955)	(2 490)	(2 112)	(35 831)
Closing carrying amount	320 561	70 647	2 505	6 429	-	400 142
At 31 December 2015						
Cost or valuation	407 619	238 662	69 262	26 470	107 626	849 639
Accumulated depreciation	(87 058)	(168 015)	(66 757)	(20 041)	(107 626)	(449 497)
Carrying amount	320 561	70 647	2 505	6 429	-	400 142
Year ended						
31 December 2014						
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	297 469	72 612	2 956	7 449	-	380 486
At 31 December 2014						
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	297 469	72 612	2 956	7 449	-	380 486

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:

	2015 R'000	2014 R'000	2013 R'000	2012 R'000	Total R'000
Land and buildings	66 432	48 508	36 594	13 243	164 777
Furniture and equipment	7 082	1 724	711	5 756	15 273
Computer equipment	-	-	-	-	-
	<u>73 514</u>	<u>50 232</u>	<u>37 305</u>	<u>18 999</u>	<u>180 050</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 R117.4 million which has been offset by the grant received.

RHODES UNIVERSITY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS – 31 December 2015 (continued)

2. Investments	2015 R'000	2014 R'000
At fair value:		
Listed shares	209 727	221 673
International market unit trust	194 661	143 316
Money market deposits	63 873	72 857
Government bonds local authority	71 848	66 318
Government bonds parastatals	17 435	17 802
	<u>557 544</u>	<u>521 966</u>
At cost:		
Listed shares	100 862	93 294
International market unit trusts	147 082	79 945
Money market deposits	63 873	72 827
Government local	77 257	64 324
Government parastatals	19 499	19 841
	<u>408 573</u>	<u>330 231</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 2015 (continued)

2. Investments (continued)

The following table presents the University's assets that are measured at fair value at 31 December 2015.

	Level 1	Level 2	Level 3	Total balance
	R'000	R'000	R'000	R'000
Assets				
Available-for-sale financial assets				
- Listed shares	209 727	-	-	209 727
- International market unit trusts	194 661	-	-	194 661
- Money market deposits	63 873	-	-	63 873
- Government bonds	89 283	-	-	89 283
Total assets	557 544	-	-	557 544

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 2015 (continued)

3. Loans and receivables	2015 R'000	2014 R'000
Student loans – NSFAS	75 365	62 243
Provision for impairment	<u>(75 365)</u>	<u>(62 243)</u>
	-	-
Student loans	12 273	7 994
Loans to employees	2 801	2 651
Other loans	<u>510</u>	<u>1 573</u>
	15 584	12 218
Provision for impairment	<u>(12 749)</u>	<u>(7 880)</u>
	<u>2 835</u>	<u>4 338</u>

Student loans bear interest at 10% (2014 : 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 15.75% (2014 : 15.5%) 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:

	NSFAS R'000	Other loans and receivables R'000
Balance at 1 January 2014	35 867	6 265
Additional impairment	<u>26 376</u>	<u>1 615</u>
Balance at 31 December 2014	62 243	7 880
Additional impairment	<u>13 122</u>	<u>4 869</u>
Closing balance at 31 December 2015	<u>75 365</u>	<u>12 749</u>

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

4. Inventories	2015 R'000	2014 R'000
Stationery	227	224
Technical inventories	2 409	2 137
Cleaning material and foodstuffs	1 652	1 707
Study materials	<u>557</u>	<u>788</u>
	<u>4 845</u>	<u>4 856</u>

RHODES UNIVERSITY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS – 31 December 2015 (continued)

5. Receivables and prepayments	2015 R'000	2014 R'000
Student debtors	62 881	43 885
Prepayments	1 871	1 261
NRF control account	13 797	5 200
Water research control account	1 309	2 223
NSFAS	8 331	8 911
Accrued interest receivable	7 143	3 535
Other receivables	5 989	7 655
Receiver of Revenue – Value Added Tax	3 600	3 600
	104 921	76 270
Provisions for impairment	(20 609)	(16 188)
	84 312	60 082

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:

	2015 R'000	2014 R'000
Opening balance at 1 January	16 188	14 092
Additional impairment	4 421	2 096
Receivables written off during the year	-	-
Closing balance at 31 December	20 609	16 188

Student debtors amounting to R26.8 million (2014: R16.1 million) of debit balances outstanding at year end are considered to be fully performing. The balance of R35.9 million (2014: R27.8 million) are past due. However, only R20.6 million (2014: R16.2 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 level of 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 2015 (continued)

6. Cash and cash equivalents	2015 R'000	2014 R'000
Cash at bank and in hand	65 634	32 198
Short term bank deposits	99 359	151 520
	<u>164 993</u>	<u>183 718</u>

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

Cash and bank balances	<u>164 993</u>	<u>183 718</u>
------------------------	----------------	----------------

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

7. Financial assets	2015 R'000	2014 R'000
Fixed deposits (3 to 12 months)	<u>30 400</u>	<u>50 400</u>

8. Deferred income	2015 R'000	2014 R'000
As at 1 January	105 077	95 153
Net (decrease)/increase in deferred income	(74 635)	9 924
Government grants received	-	61 042
Capital expenditure incurred	(73 514)	(50 232)
Realised in comprehensive income	(1 121)	(886)
As at 31 December	<u>30 442</u>	<u>105 077</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 2015 (continued)

9. Interest-bearing borrowings	2015 R'000	2014 R'000
Current portion of borrowings		
Lease liability	613	818
Non-current portion of borrowings		
Lease liability	334	816
Total borrowings	947	1 634

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 R 1 232 416 (2014: R1 574 227)

	2015	2014
Interest rates:		
- lease liability	<u>9.75%</u>	<u>9.25%</u>
Finance lease liabilities – minimum lease payments:		
Not later than 1 year	613	829
Later than 1 year not later than 5 years	408	1 004
Later than 5 years	-	-
	<u>1 021</u>	<u>1 833</u>
Future finance charges on finance lease	(74)	(199)
Present value of finance lease liabilities for vehicles	<u>947</u>	<u>1 634</u>

RHODES UNIVERSITY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS – 31 December 2015 (continued)

10. Trade and other payables	2015 R'000	2014 R'000
Trade and other payables	59 110	59 377
Student deposits	54 637	46 554
	<u>113 747</u>	<u>105 931</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.

11. State appropriations – subsidies and grants	2015 R'000	2014 R'000
Subsidy – general purposes	323 964	307 108
Subsidy – interest and redemption	-	-
Subsidy – other	-	-
Specific grants – infrastructure	-	61 042
Specific grants – research	101 662	99 889
	<u>425 626</u>	<u>468 039</u>
Infrastructure grants offset against assets purchased or under construction	-	(50 232)
Infrastructure grants (deferred)/released	1 121	(9 924)
	<u>426 747</u>	<u>407 883</u>

12. Private gifts and grants

Council Managed Earmarked Funds include grants received from the National Lottery Development Trust Fund amounting to RNil (2014 : RNil), National Arts Council of RNil (2014 : R60 000) and Open Society of R2 250 000(2014 : R1 850 000).

13. Income from investments	2015 R'000	2014 R'000
Interest income	35 035	32 160
Dividend income	7 316	7 932
	<u>42 351</u>	<u>40 092</u>
Realised capital profits on investments	<u>97 646</u>	<u>26 742</u>

RHODES UNIVERSITY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS – 31 December 2015 (continued)

14. Personnel costs	2015 R'000	2014 R'000
Academic professional	247 774	236 739
Other personnel	323 295	304 106
Other personnel costs	307 408	267 833
Retirement funding adjustments	15 887	36 273
Leave liability increase/(decrease)	393	(30)
	<u>571 462</u>	<u>540 815</u>

15. Other operating expenses	2015 R'000	2014 R'000
The following items have been included in recurrent expenditure:		
Repairs and maintenance expenditure	17 344	13 135
Expenditure on computer equipment written off	777	959
Rates	10 436	9 411
Electricity	28 040	18 572
Scholarship, bursaries and merit awards	79 841	70 894
Library periodicals	16 531	13 574

16. Finance costs	2015 R'000	2014 R'000
Interest expense	<u>145</u>	<u>72</u>

17. Commitments	2015 R'000	2014 R'000
Commitments for capital expenditure	<u>52 675</u>	<u>108 277</u>
Commitments for operating expenditure		
General	<u>12 184</u>	<u>7 809</u>

Capital expenditure commitments will be financed through funds specifically designated for the projects and infrastructure grants from the Department of Higher Education. In 2015, 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 R2.7 million (2014 : R3.8 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 2015 (continued)

19. Cash generated from operations	2015 R'000	2014 R'000
Reconciliation of net surplus/(deficit) to cash generated from operations:		
Net surplus/(deficit) before transfers	146 641	38 407
Adjustments for non-cash items:		
Deferred income (decrease)/increase	(74 635)	9 924
Depreciation	35 831	37 480
Profit on disposal of fixed assets	(838)	(662)
Profit on disposal of non-current investments	(97 631)	(26 739)
Movement in retirement benefit assets and liabilities	(16 464)	(64 241)
Actuarial gains and losses	15 887	73 660
Increase in provision for non-current receivables	18 657	30 084
Non-cash movement in reserves	(2 545)	(58)
Increase / Decrease in provision for leave pay	393	(30)
Interest received	(35 035)	(32 160)
Dividends received	(7 316)	(7 932)
Interest paid	145	72
Changes in working capital (excluding Infrastructure Grant)	39 346	36 846
Receivables and prepayments	31 519	12 050
Inventories	11	(48)
Trade and other payables	7 816	24 844
Cash generated from operations	<u>22 436</u>	<u>94 651</u>

20. Compensation paid to Executive Personnel

The following disclosures relate to compensation paid to executive management for the year ended 31 December 2015. The amounts reflected below are based on the total cost of employment to the University and comprise flexible remuneration packages.

	Office held	Basic salary R'000	Employment benefits R'000	Other allowances/ payments R'000	Total cost to Rhodes University R'000
Dr S Mabizela	Vice-Chancellor	1 974	491	50	2 515
Dr P Clayton	Deputy Vice-Chancellor: Research & Development	1 427	258	151	1 836
Dr S Fourie	Registrar	1 145	202	87	1 434
Dr I L'Ange	Executive Director: Infrastructure, Operations & Finance	1 343	208	-	1 551

20. Compensation paid to Executive Personnel (continued)

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.

	Office held	Basic salary R'000	Employment benefits R'000	Other allowances/ payments R'000	Total cost to Rhodes University R'000
Dr S Badat	Vice-Chancellor	1 088	602	33	1 723
Dr S Mabizela	Deputy Vice- Chancellor : Academic & Student	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

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.

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.

	2015	2014
	R'000	R'000
Statement of financial position obligations for:		
- pension benefits	-	8 593
- post-retirement medical benefits	60 996	68 867
	<u>60 996</u>	<u>77 460</u>
Total income / expenditure charge for:		
- pension benefits	(22 192)	(30 165)
- post-retirement medical benefits	(6 341)	(6 108)
	<u>(28 533)</u>	<u>(36 273)</u>

RHODES UNIVERSITY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS – 31 December 2015 (continued)

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 2015.

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:

	2015 R'000	2014 R'000
<i>The amounts recognised in the statement of financial position are as follows:</i>		
Present value of funded obligations	723 239	833 459
Fair value of plan assets	(901 000)	(824 866)
	(177 761)	8 593
Unrecognised surplus due to surplus apportionment legislation	177 761	-
Liability at statement of financial position date	-	8 593

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

Beginning of the year	833 459	832 882
Current service cost	21 441	23 629
Interest cost	74 068	69 840
Member contributions	12 201	11 632
Remeasurement gain	(160 395)	(23 932)
Benefits paid	(55 061)	(77 703)
Risk premium and expenses	(2 474)	(2 889)
End of the year	723 239	833 459

RHODES UNIVERSITY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS – 31 December 2015 (continued)

21. Retirement benefit obligations (continued)

	2015 R'000	2014 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	824 866	758 793
Expected return on plan assets	73 317	63 304
Employer contributions	24 411	22 613
Employee contributions	12 201	11 632
Benefits paid	(55 061)	(77 703)
Risk premium	(2 474)	(2 889)
Remeasurement gain	23 740	49 116
End of the year	<u>901 000</u>	<u>824 866</u>

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

Current service costs	(21 441)	(23 629)
Net interest (expense)	(751)	(6 536)
Total, included in staff costs	<u>(22 192)</u>	<u>(30 165)</u>

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

Cash	13.20%	15.80%
Equities	37.90%	40.80%
Bonds	14.60%	14.30%
Property	1.20%	1.60%
International	28.20%	25.90%
Other	4.90%	1.60%
	<u>100.00%</u>	<u>100%</u>

The overall duration of the fund's liabilities is estimated at 12.5 years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS – 31 December 2015 (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 2015. The rate of discount (10.6%) is decreased by 1.0% (9.6%) and increased by 1.0% (11.6%), 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.

	Valuation results	31 December 2015 (R'000)					
		Discount rate -1%	Discount rate +1%	Salary increase +1%	Salary increase -1%	Pension increase +1%	Pension increase -1%
Assets at market value	901 000	901 000	901 000	901 000	901 000	901 000	901 000
Active member liabilities	411 084	481 743	354 630	442 465	383 898	448 607	378 237
Pensioner liabilities	312 155	335 378	291 738	312 155	312 155	336 806	290 251
Funded status	723 239	817 121	646 368	754 620	696 053	785 413	668 488
Funding level	177 761	83 879	254 632	146 380	204 947	115 587	232 512
Service cost	124.6%	110.3%	139.4%	119.4%	129.4%	114.7%	134.8%
	12 199	17 629	8 088	15 508	9 448	14 117	10 513

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 2015. 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 2015 (R'000)		
	Valuation results	Mortality -2 years	Mortality +2 years
Assets at market value	901 000	901 000	901 000
Active member liabilities	411 084	425 087	396 297
Pensioner liabilities	312 155	327 277	296 530
	723 239	752 364	692 827
Funded status	177 761	148 636	208 173
Funding level	124.6%	119.8%	130.0%
Service cost	12 199	12 974	11 381

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.

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 2012, 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 7% 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:***

	2015 R'000	2014 R'000
<i>Defined benefit obligation:</i>		
Remeasurement loss / (gain) due to change in financial assumptions	(160 479)	(45 859)
Remeasurement loss / (gain) due to experience adjustment	84	21 927
	<u>(160 395)</u>	<u>(23 932)</u>
<i>Plan assets:</i>		
Remeasurement gain : Return on plan assets, not included on interest income above	23 740	49 116
<i>The principal actuarial assumptions used were as follows:</i>		
Discount rate	10.6%	9.0%
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 2015 was R97 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 2015. The plan is registered under the Medical Schemes Act. The plan is governed by a Board of Trustees.

	2015 R'000	2014 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>60 996</u>	<u>68 867</u>
<i>The movement in the liability over the year is as follows:</i>		
Beginning of the year	68 867	67 612
Current service cost	463	516
Interest cost	5 878	5 592
Benefits paid	(4 699)	(4 241)
Remeasurement gains due to changes in financial assumptions	(9 427)	(2 039)
Remeasurement losses due to changes in demographic assumptions	266	382
Remeasurement (gains)/losses due to changes in experience	(352)	1 045
End of the year	<u>60 996</u>	<u>68 867</u>
<i>The amounts recognised in total income/expenditure are as follows:</i>		
Current service cost	(463)	(516)
Interest cost	(5 878)	(5 592)
Total included in personnel costs	<u>(6 341)</u>	<u>(6 108)</u>

The overall duration of the Post-Retirement Medical Aid subsidy scheme liability is estimated at 12 years.

RHODES UNIVERSITY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS – 31 December 2015 (continued)

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 2015 (R'000)		
	Real discount rate: -1%	Valuation basis (real)	Real discount rate: 1%
Accrued liabilities			
- employees	10 342	11 813	13 569
- continuation members	45 634	49 183	53 185
Total	55 976	60 996	66 754
Annual expense items			
- service cost	238	278	326
- interest cost	5 596	6 121	6 723
Total	5 834	6 399	7 049

	31 December 2015 (R'000)		
	No resignation	Valuation basis	PA (90) mortality
Accrued liabilities			
- employees	11 865	11 813	11 285
- continuation members	49 183	49 183	46 449
Total	61 048	60 996	57 734
Annual expense items			
- service cost	280	278	265
- interest cost	6 127	6 121	5 780
Total	6 407	6 399	6 045

Membership data:

Employed members (in service)	260	267
Retired members	53	56

The principal actuarial assumptions used were as follows:

Interest rate	10.40%	8.80%
Subsidy inflation rate (medical cost trend rate)	7.00%	7.00%

Mortality rate:

During employment: SA 1985/90; (2014 : 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 (2014 : PA(90 -1)

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

23. Financial instruments by category

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

	Category	2015 R'000	2014 R'000
Assets			
Non-current investments	Available for sale	557 544	521 966
Non-current receivables	Loans and receivables	(2 253)	74 461
Receivables and prepayments	Loans and receivables	81 666	76 270
Cash and cash equivalent	Loans and receivables	164 993	183 718
Financial assets	Loans and receivables	30 400	50 400
		<u>832 350</u>	<u>906 815</u>
Liabilities			
Interest bearing borrowings	Other financial liabilities	947	1 634
Trade and other payables	Other financial liabilities	113 321	105 931
		<u>114 268</u>	<u>107 565</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 2015:

	Level 1	Level 2	Level 3	Total balance
	R'000	R'000	R'000	R'000
Assets				
Investments	557 544	-	-	557 544
Total assets	<u>557 544</u>	<u>-</u>	<u>-</u>	<u>557 544</u>

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

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 2015:

	Level 1	Level 2	Level 3	Total balance
	R'000	R'000	R'000	R'000
Assets				
Financial assets	30 400	-	-	30 400
Total assets	<u>30 400</u>	<u>-</u>	<u>-</u>	<u>30 400</u>
Liabilities				
Deferred income	-	30 442	-	30 442
	<u>-</u>	<u>30 442</u>	<u>-</u>	<u>30 442</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).

24. Financial risk management (continued)

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 R7.3 million (2014 : R7.2 million) higher/lower.

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 2015, 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 R24.27 million (2014 : R22.035 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.

RHODES UNIVERSITY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS – 31 December 2015 (continued)

24. Financial risk management (continued)

(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.

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

	Within 1 year R'000	Between 1 and 5 years R'000	Later than 5 years R'000
At 31 December 2015			
Interest-bearing borrowings	613	408	-
Trade and other payables	113 321	-	-
	<u>113 934</u>	<u>408</u>	<u>-</u>
At 31 December 2014			
Interest-bearing borrowings	829	1 004	-
Trade and other payables	107 895	-	-
	<u>108 724</u>	<u>1 004</u>	<u>-</u>

RHODES UNIVERSITY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS – 31 December 2015 (continued)

24. Financial risk management (continued)

(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 2015 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 2015:

- 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.

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 2016 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.

RHODES UNIVERSITY

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - 31 December 2015 (continued)

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 2015 (continued)

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.