









ANNUAL REPORT 2024

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

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



REPORT OF THE **CHAIR OF COUNCIL** FOR 2024



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REPORT OF THE **CHAIR OF COUNCIL** FOR 2024

The term of appointment of the members of Council is for a period of four years. A new Council was elected with effect from 1 July 2024. Details of the members of the Council for the four-year term ending on 30 June 2024 and the members of the new Council whose term commenced on 01 July 2024 are set out below.

DETAILS OF THE COUNCIL OF THE UNIVERSITY OF CAPE TOWN AS AT 30 JUNE 2024

EXECUTIVE OFFICERS OF THE COUNCIL

Emeritus Professor BD Reddy	(Vice-Chancellor Interim)
Mr RN Pillay	(Registrar) (Secretary to Council)
Emerita Professor L Ronnie	(Deputy Vice-Chancellor)
Mr M Parker	(Chief Operating Officer)

The full list of members of council as at 30 June is set out below.

DETAILS OF THE COUNCIL OF THE UNIVERSITY OF CAPE TOWN AS AT 01 JULY 2024

EXECUTIVE OFFICERS OF THE COUNCIL

Emeritus Professor BD Reddy	(Vice-Chancellor Interim)
	replaced as at 01 August 2024 by
	Prof M Moshabela (Vice-Chancellor)
Mr RN Pillay	(Registrar) (Secretary to Council)
Emerita Professor L Ronnie	(Deputy Vice-Chancellor)
Mr M Parker	(Chief Operating Officer)

The full list of members of council as at 01 July 2024 is set out below.

MEMBERS OF COUNCIL

30 June 2024

01 July 2024

MINISTERIAL APPOINTEES

- | | |
|-----------------------|-----------------------|
| 1. Ms S Barsel | 1. Mr N Arendse (SC) |
| 2. Ms P Gwangwa | 2. Ms N Caluza |
| 3. Ms K Maphisa | 3. Professor G Gray |
| 4. Professor N Eccles | 4. Professor E Maloka |
| | 5. Ms N Mohamed |

30 June 2024

01 July 2024

MEMBERS ELECTED BY CONVOCAATION

- | | |
|------------------------|--------------------------------|
| 5. Ms M le Roux | 6. Mr D Ansara |
| 6. Dr S Manjra | 7. Emeritus Professor B Kantor |
| 7. Professor C Vaughan | 8. Mr M Oppenheimer |
| | 9. Ms K Phelps |

A fourth member elected by Convocation resigned and was replaced via the Appointments Committee of Council

ACADEMIC AND PROFESSIONAL ADMINISTRATIVE & SUPPORT STAFF (PASS) ELECTED MEMBERS

- | | |
|------------------------------------|-----------------------------------|
| 8. Ms B Mtsi (PASS 2-6) | 10. Mr B Nkume (PASS 2-6) |
| 9. Mr S Chetty (PASS 7-13) | 11. Mr Y Moollatjie (PASS 7-13) |
| 10. Professor R Muloiwa (Academic) | 12. Professor T Naledi (Academic) |

MEMBERS ELECTED BY SENATE

- | | |
|------------------------|--------------------------|
| 11. Professor N Ntusi | 13. Professor W Amien |
| 12. Professor D Chirwa | 14. Professor T Moultrie |
| 13. Mr J Rousseau | 15. Mr J Rousseau |

MEMBERS ELECTED BY DONORS

- | | |
|-----------------|-----------------|
| 14. Mr E Davids | 16. Mr E Davids |
| 15. Ms D Yach | 17. Ms D Yach |

NOMINEE OF CAPE TOWN CITY COUNCIL

- | | |
|----------------------|----------------------|
| 16. Mr K Perumalsamy | 18. Mr K Perumalsamy |
|----------------------|----------------------|

NOMINEE OF THE PREMIER OF THE WESTERN CAPE

- | | |
|----------------|----------------------|
| 17. Dr M Cardo | 19. Mr Marlon Parker |
|----------------|----------------------|

4. Professor E Maloka



REPORT OF THE **CHAIR OF COUNCIL** FOR 2024 continued

MEMBERS OF COUNCIL continued

30 June 2024

01 July 2024

APPOINTED BY THE APPOINTMENTS COMMITTEE OF COUNCIL¹

18. Mr N Arendse	20. Mr M Campbell
19. Mr M Campbell	21. Dr M Molapo
20. Ms N Mohamed	22. Dr S Munyaka
21. Ms T Mokgabudi	23. Mr O Mothudi
22. Mr R Isaacs	24. Mr R Isaacs
23. Ms I Pule	

APPOINTED BY THE STUDENTS' REPRESENTATIVE COUNCIL

24. Mr H Khorommbi	25. Mr H Khorommbi
25. Mr S Monoane	26. Mr S Monoane
26. Mr K Tabata	27. Mr K Tabata

EX OFFICIO MEMBERS

27. Professor BD Reddy (Vice-Chancellor Interim)	28. Professor BD Reddy (Vice-Chancellor Interim)
28. Emerita Professor L Ronnie	29. Emerita Professor L Ronnie
29. Mr M Parker	30. Mr M Parker

¹ The Appointments Committee is responsible for filling vacancies occurring in the Convocation and Donor constituencies during the four-year term of office. The UCT Council had one resignation from the Convocation constituency. This vacancy was filled by the Appointments Committee in terms of Section 16(2A) of the Statute.



COUNCIL STATEMENT ON CORPORATE GOVERNANCE

LEGAL PERSONA AND CAPACITY

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

THE COUNCIL AND GOVERNANCE STRUCTURES PROVIDED FOR IN THE ACT

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

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

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

While the Council governs the University, the Senate has jurisdiction over the academic functions of the University. The Senate consists of all professors, all heads of academic departments, elected academic and support staff, members appointed by the UCT Nominations Committee from the academic departments, elected student members and co-opted members. Much of the work of Senate is done by the Faculty Boards (UCT has six faculties, a Centre for Higher Education Development and a Graduate School of Business) and by committees of the Senate.

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

The Council is supported by specialist committees and working groups.

REPORT OF THE CHAIR OF COUNCIL FOR 2024 continued

COUNCIL STATEMENT ON CORPORATE GOVERNANCE continued

The matters reserved for decision by full Council are those specified in the Act (changes to the Institutional Statute, adopting institutional rules, acquiring or disposing of fixed property, setting fees, and specified financial transactions), those listed in the Institutional Statute (paragraph 12(5)), and matters that Council has reserved to itself. Beyond this, Council has powers of delegation and has made use of these powers to delegate or assign some of its powers and functions to a committee of Council, a member of Council, or an officer of the University (paragraph 12(4) of the Statute). Schedules of delegated authority are reviewed annually by Council.

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

ETHICS IN DECISION-MAKING AND IN UNIVERSITY WORK

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

The Ombud's Office represents a further step to ensure fairness in all institutional dealings with staff, students and third parties, and to promote probity.

In addition, a whistle-blower hotline which has been in operation since 2015 has been managed externally through Whistle Blowers Pty Ltd since 2018. Allegations of fraud, corruption, or unethical conduct may be reported confidentially and anonymously.

STAKEHOLDERS

UCT is a diverse community, located within a wider context of multiple stakeholder groups on whom UCT relies, and who have expectations of the University in terms of its mission, actions and decisions. The University's stakeholder network includes, inter alia, academic partners, staff (academic and professional), students, government agencies, the private sector, civil society groups, parents, funders, and the media. These relationships are valued and nurtured at various levels in the institution. For example, this is done via the Executive with government agencies, via the faculties and research units with research partners, via the Development and Alumni Department with donors, alumni and members of Convocation, with schools and parents via the Student Admissions Office, with staff members via the representative bodies and consultative forums, with students via the SRC and other student formations, with the media via the Executive and the Communication and Marketing Department, and with civil society groupings through the work of the University in its social responsiveness and community engagement endeavours.

THE RESPONSIBILITIES OF THE COUNCIL

The Council's key responsibilities are to ensure that:

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

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

OBJECTIVES FOR THE COUNCIL FOR 2024

The Chair of Council is required to report annually on the work of the Council. The Auditor General requires that the Council reports on the extent to which it has met its pre-determined objectives for the year. The reporting regulations as published in the Gazette of 9 June 2014 under Government Notice No. R.464 are designed for reporting against predetermined objectives. The Annual Performance Plan for 2024 was considered by Council in December 2023. Having regard to the aforementioned, its responsibilities under the Act and the Statute, the Council set the following high-level objectives for itself for 2024.

Table 1: Objectives for the Council for 2024

Council objectives related to predetermined objectives and statutory oversight follows below:

To approve the submissions to the Department of Higher Education and Training as they relate to the annual cycle of planning and reporting as follows:	Council authorised for submission to the Department of Higher Education
(a) The 2023 Annual Report	(a) the 2023 Annual Report in June 2024;
(b) The 2024 Mid-year Performance Report	(b) the 2024 Mid-year Performance Report in November 2024; and
(c) The 2025 Annual Performance Plan	(c) the 2025 Annual Performance Plan in December 2024.



REPORT OF THE CHAIR OF COUNCIL FOR 2024 continued

OBJECTIVES FOR THE COUNCIL FOR 2024 continued

Table 1: Objectives for the Council for 2024 continued

Council objectives related to predetermined objectives and statutory oversight follows below:

To achieve the approved enrolment targets for 2024, as well as the graduate output and throughput targets. See pages 20 to 24

UCT's enrolment planning compact with the Ministry and the Department of Higher Education and Training required that UCT achieve a headcount enrolment of 30 319 (2023: 29 884) students in 2024. This agreed target total can be broken down as follows:

- » 18 076 (2023: 17 968) undergraduate students;
- » 3 341 (2023: 3 238) postgraduates below the master's level;
- » 6 267 (2023: 6 085) master's students; and
- » 2 316 (2023: 2 293) doctoral enrolments.

The headcount enrolment was projected to translate into 22 213 (2023: 21 977) fulltime equivalent enrolments.

To ensure that earmarked funds for 2024 designated and awarded to UCT by the Minister of Higher Education, Science and Innovation are utilised for the specific purposes as intended. These include:

- » the University Capacity Development Grant (encompassing teaching- and research-development);
- » University Capacity Development Grant Collaborative Grants;
- » the foundation programme grants;
- » the infrastructure and efficiency grants;
- » the clinical training grant;
- » New Generation of Academics Programme; and
- » the National Student Financial Aid Scheme.

Earmarked grants are funds that may be used only for specific purposes designated by the Minister, and the accountability for the use thereof is through the submission of progress reports and financial statements which are provided on an annual basis by the universities. The University enters into an agreement with the Department of Higher Education about programmes and activities that will be funded and the funds that will be made available.

Council objectives in relation to governance and internal objectives follow below:

To govern the University effectively, ensuring and promoting academic freedom, transformation and sustainability, and success in the core activities of teaching & learning, research, and community engagement. Key deliverables in relation to this are as follows:

See pages 31 to 33

- » To receive reports on teaching & learning; research; and social responsiveness and engaged scholarship.
- » To receive a report from the University Executive Management on Transformation and monitor progress to advance institutional transformation.

To hold the Vice-Chancellor accountable for his objectives and for effective administration.

See pages 13 to 19



REPORT OF THE CHAIR OF COUNCIL FOR 2024 continued

THE COMMITTEES OF COUNCIL

COUNCIL MEETINGS

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

Table 2: Council meetings 2024

Member	16 March	22 June	27 June Reconvened	07 July	27 July	19 Oct	07 Nov Reconvened	07 Dec	12 Dec Reconvened	% Attendance
N Arendse	✓	✓	✓	✓	✓	✓	✓	✓	✓	100
D Ansara	–	–	–	✓	○	✓	✓	✓	✓	83
W Amien	–	–	–	✓	○	✓	✓	✓	✓	83
S Barsel	✓	✓	✓	–	–	–	–	–	–	100
N Caluza	–	–	–	✓	✓	✓	✓	✓	✓	100
M Campbell	○	✓	✓	✓	✓	✓	✓	✓	✓	89
M Cardo	✓	✓	○	–	–	–	–	–	–	67
S Chetty	✓	✓	✓	–	–	–	–	–	–	100
D Chirwa	○	○	○	–	–	–	–	–	–	–
E Davids	✓	✓	✓	✓	✓	○	○	✓	○	67
N Eccles	✓	✓	○	–	–	–	–	–	–	67
G Gray	–	–	–	✓	✓	✓	○	✓	✓	83
P Gwangwa	✓	✓	✓	–	–	–	–	–	–	100
R Isaacs	✓	✓	✓	✓	✓	✓	○	✓	✓	89
B Kantor	–	–	–	✓	✓	✓	✓	✓	✓	100
H Khorommbi	✓	✓	✓	✓	✓	✓	–	–	–	100
M le Roux	✓	✓	✓	–	–	–	–	–	–	100
T Lukhele	–	–	–	–	–	–	–	✓	✓	100
E Maloka	–	–	–	✓	✓	✓	✓	✓	✓	100
S Manjra	✓	✓	✓	–	–	–	–	–	–	100
K Maphisa	✓	✓	✓	–	–	–	–	–	–	100
N Mohamed	○	✓	✓	✓	✓	✓	○	✓	✓	78
T Mokgabudi	○	○	○	–	–	–	–	–	–	–
M Molapo	–	–	–	✓	✓	✓	✓	✓	✓	100
S Monoane	○	✓	✓	–	–	–	–	–	–	67

Member	16 March	22 June	27 June Reconvened	07 July	27 July	19 Oct	07 Nov Reconvened	07 Dec	12 Dec Reconvened	% Attendance
Y Moollatjie	–	–	–	○	✓	✓	✓	○	○	50
M Moshabela	–	–	✓	✓	✓	✓	✓	✓	✓	100
O Mothudi	–	–	–	✓	✓	✓	✓	✓	✓	100
T Moultrie	–	–	–	✓	✓	✓	✓	✓	✓	100
B Mtsi	○	○	○	–	–	–	–	–	–	–
R Muloiwa	✓	✓	✓	–	–	–	–	–	–	100
S Munyaka	–	–	–	✓	✓	✓	✓	✓	✓	100
T Naledi	–	–	–	✓	✓	○	✓	✓	✓	83
A Nkwakwa	–	–	–	–	–	–	–	✓	✓	100
B Nkume	–	–	–	○	✓	✓	✓	○	✓	67
N Ntusi	✓	✓	○	–	–	–	–	–	–	67
M Oppenheimer	–	–	–	✓	✓	✓	○	✓	✓	83
Marlon Parker	–	–	–	✓	✓	✓	○	✓	✓	83
Mughtar Parker	✓	✓	✓	✓	✓	✓	✓	✓	✓	100
K Perumalsamy	✓	✓	✓	✓	✓	✓	○	✓	✓	83
K Phelps	–	–	–	○	✓	✓	○	✓	○	50
I Pule	✓	○	○	–	–	–	–	–	–	33
BD Reddy	✓	✓	✓	✓	✓	–	–	–	–	100
L Ronnie	✓	✓	✓	✓	✓	✓	✓	✓	✓	100
J Rousseau	✓	✓	✓	✓	✓	✓	✓	✓	✓	100
K Tabata	–	✓	✓	–	–	–	–	–	–	100
C Vaughan	✓	✓	✓	–	–	–	–	–	–	100
D Yach	✓	✓	✓	✓	✓	✓	✓	✓	✓	100

Key: ✓ Present ○ Apology – Not a member

REPORT OF THE CHAIR OF COUNCIL FOR 2024 continued

THE COMMITTEES OF COUNCIL continued

Table 3: Special meetings of Council January to May 2024

Member	14 Feb	15 May	05 Oct	% Attendance
N Arendse	✓	✓	✓	100
D Ansara	—	—	✓	100
W Amien	—	—	✓	100
S Barsel	✓	✓	—	100
N Caluza	—	—	✓	100
M Campbell	●	✓	✓	67
M Cardo	✓	✓	—	67
S Chetty	✓	✓	—	100
D Chirwa	✓	✓	—	100
E Davids	✓	✓	✓	100
N Eccles	●	●	—	—
G Gray	—	—	●	—
P Gwangwa	●	✓	—	50
R Isaacs	✓	✓	✓	100
B Kantor	—	—	✓	100
H Khorommbi	✓	✓	✓	100
M le Roux	✓	●	—	50
T Lukhele	—	—	—	—
E Maloka	—	—	✓	100
S Manjra	✓	✓	—	100
K Maphisa	✓	✓	—	100
N Mohamed	✓	✓	✓	100
T Mokgabudi	●	●	—	—
M Molapo	—	—	✓	100
S Monoane	✓	✓	✓	100
Y Moollatjie	—	—	✓	100
M Moshabela	—	—	✓	100
O Mothudi	—	—	●	—
T Moultrie	—	—	●	—
B Mtsi	✓	✓	—	100
R Muloiwa	✓	●	—	50
S Munyaka	—	—	✓	100
T Naledi	—	—	✓	100

Member	14 Feb	15 May	05 Oct	% Attendance
A Nkwakwa	—	—	—	—
B Nkume	—	—	✓	100
N Ntusi	✓	✓	—	100
M Oppenheimer	—	—	✓	100
Marlon Parker	—	—	✓	100
Mughtar Parker	✓	●	●	33
K Perumalsamy	✓	●	✓	67
K Phelps	—	—	✓	100
I Pule	✓	✓	—	100
BD Reddy	✓	✓	—	100
L Ronnie	✓	●	✓	67
J Rousseau	✓	✓	✓	100
K Tabata	—	✓	●	50
C Vaughan	✓	✓	—	100
D Yach	✓	✓	✓	100

Key: ✓ Present ● Apology — Not a member



REPORT OF THE CHAIR OF COUNCIL FOR 2024 continued

THE COMMITTEES OF COUNCIL continued

COUNCIL'S EXECUTIVE COMMITTEE

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

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

The table below sets out the number of EXCO meetings held in 2024 and each member's attendance record.

Table 4: Attendance at Council Executive Committee (Council EXCO) meetings 2024

Member	18 April	23 May	22 Aug	% Attendance
W Amien	–	–	✓	100
N Arendse	✓	✓	✓	100
S Barsel	✓	✓	–	100
N Caluza	–	–	✓	100
M Campbell	✓	✓	✓	100
R Isaacs	✓	✓	✓	100
H Khorommbi	✓	✓	–	100
M Moshabela	–	–	✓	100
S Munyaka	–	–	✓	100
N Ntusi	✓	✓	–	100
BD Reddy	✓	✓	–	100
D Yach	✓	✓	–	100

Key: ✓ Present ● Apology – Not a member

Table 5: Special Council Executive Committee meetings 2024

Member	03 July	05 Sept	% Attendance
W Amien	–	✓	100
N Arendse	✓	✓	100
S Barsel	✓	–	100
N Caluza	–	✓	100
M Campbell	✓	✓	100
R Isaacs	✓	✓	100
H Khorommbi	✓	✓	100
M Moshabela	–	✓	100
S Munyaka	–	✓	100
N Ntusi	●	–	–
BD Reddy	✓	–	100
D Yach	✓	–	100

Key: ✓ Present ● Apology – Not a member

THE COUNCIL APPOINTMENTS COMMITTEE

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

THE UNIVERSITY AUDIT AND RISK COMMITTEE

The University Audit and Risk Committee is a standing committee of Council and consists of external members of Council and independent members. The Audit and Risk Committee met on five occasions in 2024, with one occasion being a special meeting of the Committee. The University Audit and Risk Committee's responsibilities are to:

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



REPORT OF THE **CHAIR OF COUNCIL** FOR 2024 continued

THE COMMITTEES OF COUNCIL continued

THE UNIVERSITY FINANCE COMMITTEE

The University Finance Committee (UFC) is a standing committee of Council and is chaired by an external member of Council. The committee consists of four members appointed by Council (one of whom must be the Chair), as well as independent members, the Vice-Chancellor, the Chief Operating Officer, the Chief Finance Officer, three members nominated by Senate and two members nominated by the Students' Representative Council. The UFC advises Council on financial strategy, makes recommendations on revenue and capital budgets, and monitors and reports quarterly on progress against these budgets. The committee met five times during 2024.

THE COUNCIL REMUNERATION COMMITTEE

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

RemCom is responsible for:

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

The Remuneration Committee reports to Council each year setting out the decisions taken, thus ensuring transparency in respect of executive and senior staff salaries. RemCom met seven times during 2024.

THE UNIVERSITY STUDENT AFFAIRS COMMITTEE

The University Student Affairs Committee (USAC) is a standing committee of Council established in terms of section 27 (3) of the Act. It includes one member of the Executive, two Council members, members of the academic staff (appointed by Senate) and student representatives. It is chaired by a Deputy Vice-Chancellor and advises the Council on student matters. Council requires the USAC to report on student concerns. USAC met three times in 2024.

THE UNIVERSITY HUMAN RESOURCES COMMITTEE

The University Human Resources Committee (UHRC) is a standing committee of Council that advises Council on HR policy and employment equity policy and plans and previously played a role in considering reports on outsourced providers' compliance with the code of conduct. It also provides information on staff issues and staff concerns. The committee met four times during 2024. An external Council member chairs the UHRC.

THE UNIVERSITY INFORMATION AND COMMUNICATION TECHNOLOGY SERVICES COMMITTEE

The University Information and Communication Technology Services Committee (UICTSC) is a standing joint committee of Senate and Council. It was established in recognition of the vital role of Information Communication Technology Services (ICTS) in teaching, research, administration and communication. This committee is responsible for formulating strategy proposals for ICTS at UCT.

It is chaired by the Chief Operating Officer, and it includes a member of Council, members of the academic staff appointed by Senate, the Executive Director: Finance, the Registrar and SRC-appointed members. The UICTC met four times in 2024.

THE UNIVERSITY BUILDING AND DEVELOPMENT COMMITTEE

The University Building and Development Committee (UB&DC) is a standing committee of Council and advises Council on development of the physical plant and oversees major capital projects.

This committee includes nominees of the Cape Provincial Institute of Architects, and one of its functions is to advise on the development of the University's campus-assembly of spaces and buildings. The committee is chaired by an external member of Council and held five meetings in 2024.

THE SOCIAL, ETHICS AND TRANSFORMATION COMMITTEE

The Social, Ethics and Transformation Committee was established to monitor and evaluate policies, programs, plans, practices, research, and education that might define or express the University's ethical values, ethics culture, and ethical decision-making practices. The Committee assists Council with oversight of the University's social responsiveness policies and programmes and broad-based economic empowerment and preferential procurement policies. The committee is chaired by an external member of Council and held four meetings in 2024.

CONCLUSION

UCT extends its appreciation to all its internal and external stakeholders for their support of UCT. The University continues to achieve its outstanding successes because of the support so generously offered by many, and especially so during challenging times.

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



Norman Arendse (SC)

Chair: Council
28 June 2025





REPORT ON UCT OPERATIONS DURING 2024



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REPORT ON **UCT OPERATIONS** DURING 2024

The report on UCT operations consists of four sections.



Section 1 deals with a reflection on executive objectives for 2024, as derived from UCT's Vision 2030.



Section 2 deals with a quantitative analysis of our student body in relation to our targets, enrolment plan and our academic staffing capacity. This analysis also covers overall student enrolment and demographic profiles, student academic performance and student housing provision. All universities receive several earmarked grants for specific purposes from the Department of Higher Education and Training.



Section 3 provides an update on the progress in utilising these grants.



Section 4 deals with the reports of Senate to Council in 2024, consisting of the Research Report, Teaching and Learning Report, and Transformation Report which served at Council during 2023.



1 REPORT ON 2024 EXECUTIVE OBJECTIVES

INTRODUCTION

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



GOAL 1 An organisational ethos that supports new ways of thinking, being and doing



GOAL 2 Providing thought leadership on social justice



GOAL 3 Offering a holistic, innovative, future-oriented education



GOAL 4 Research solving Afrika's problems

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



REPORT ON **UCT OPERATIONS** DURING 2024 continued

REPORT ON 2024 EXECUTIVE OBJECTIVES continued

KEY PERFORMANCE INDICATORS

UCT VISION 2030: EXECUTIVE OBJECTIVES

In relation to Vision 2030, and the goals that expand on it, the following issues are important to emphasise.

- » Firstly, while transformation is central to realising Vision 2030, there is no single strategic goal focused exclusively on transformation. The reason for this is that the approach that we have adopted is that transformation is a fundamental cross-cutting strategy across all core and support functions of the University, thus while elements of transformation are explicit in relation to Goal 2.
- » Secondly, Vision 2030 is based on integration and collaboration across executive portfolios. This can only be achieved if members of the executive work across individual portfolio silos, allowing the opportunity for innovation and creativity in tackling issues.
- » Thirdly, the implementation plan is based on the convergence of sequential projects that are initiated from the executive level in combination with the impact of energy-generating initiatives developed in the faculties and departments.

The following list of objectives within the goals of Vision 2030 refers only to the projects directly under executive oversight that were the focus for the 2024 calendar year and was derived from the focus areas and high-level objectives for the period 2021-2025.

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



GOAL 1

An organisational ethos that supports new ways of thinking, being and doing

For 2024 the executive objectives related to an organisational ethos that supports new ways of thinking, being and doing goal are as follows:

- » Approved HR Strategy and Plan
- » Development of an integrated talent management framework (integration with transformation)
- » Reviewed Integrated Development Framework (Physical Infrastructure)



GOAL 2

Providing thought leadership on social justice

For 2024 the executive objectives related to providing thought leadership on social justice goal were as follows:

- » Progress toward the establishment of formal partnerships with key institutions towards advancing social justice
- » Progress towards a clear theoretical framework for transformation built on scholarship
- » Identification of key institutions with explicit goals towards advancing social justice



GOAL 3

Offering a holistic, innovative, future-oriented education

For 2024 the executive objectives related to offering a holistic, innovative, future oriented education goal were as follows:

- » Development of a coordinated junior academic staff professional development opportunity
- » Revision of UCT's Assessment Policy with a roll-out of the implementation plan / faculty guides for 2024
- » The development of a plan to automate student level performance reports



GOAL 4

Research solving Afrika's problems

For the 2024 Executive objectives related to research solving Afrika's problems, goal were as follows

- » Develop a mechanism to monitor thesis and dissertation submissions in relation to SDGs
- » One research initiative developed in each of seven thematic tracks or SDGs
- » Enhanced end to end support framework for the research enterprise-research life cycle workflow is in place
- » Improved support for research through Service Level Agreements: Financial reporting systems reworked for 2024
- » Establish research-active criteria by discipline
- » Ten junior academic staff progressing to research-active status
- » Increased number of strategic collaborations with Afrikan partners
- » Increased number of partnerships with industry

REPORT ON **UCT OPERATIONS** DURING 2024 continued


PERFORMANCE AGAINST THE EXECUTIVE OBJECTIVES FOR 2024 continued

As part of the monitoring of Vision 2030, a draft progress report assesses progress against targets for key performance indicators (Executive Objectives) up to the end of 2024. We have used the following rating scheme to measure progress against targets for each executive objective or key performance indicator:


Table 6: Rating scheme for progress against targets

Rating scheme	Description
Achieved	Objectives or targets up to 2024 have been met
Partially achieved	Objectives or targets up to 2024 have met major milestones
Not achieved	Objectives or targets up to 2024 have not been met
Progress made	Objectives or targets set annually or beyond 2024, have met major milestones
Not rated: No progress made	No progress report to assess progress against targets
Not rated: Strategy under review	Strategy and objective under review
Not rated: No target set	No target set

The Executive Objectives for 2024, linked to Vision 2030, are as follows:



GOAL 1 An organisational ethos that supports new ways of thinking, being and doing



GOAL 2 Providing thought leadership on social justice

An approved set of HR strategies

Rating: **Achieved**

The portfolio holder for institutional climate and culture is the DVC Transformation. Human Resources play a support role to drive key change strategies related to institutional culture and institutional loyalty. Human Resource strategies include a focus on developing staff policies and programmes that support Staff Wellbeing, guidance against bullying, and the promotion of staff recruitment, advancement and development in line with the work being undertaken under the auspices of the Integrated Talent Management Framework. The policy addressing bullying was finalised in 2021 and information sessions continue across the University. Work on the Mental Health policy and the policy on internal mobility for professional, administrative and support services staff are under discussion. The Human Resources team continues to play a contributing role in the various forums that support staff wellbeing, institutional culture and institutional loyalty in partnership with the Office for inclusivity and Change (OIC) eg in development of the Accelerated Transformation of the Academic Programme (ATAP).

Development of an integrated talent management framework (integration with transformation)

Rating: **Achieved**

Accelerated Transformation of the Academic Programme (ATAP) initiative launched in mid-October 2021. ATAP focuses on full financial support to selected high-performing black postgraduates, and monitors development opportunities while offering mentoring by academics of the participants' choice.

Reviewed Integrated Development Framework (Physical Infrastructure)

Rating: **Achieved**

The portfolio holder for Physical Infrastructure is the COO. The UCT Integrated Development Framework (IDF) of May 2022, an update and elaboration of the IDF executive summary, has been formally submitted to the City of Cape Town (CoCT) for approval in terms of the Package of Plans Process and in support of a number of technical land use applications, but also to ensure predictability and certainty for the University in its planning.

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

Identification of key institutions with explicit goals towards advancing social justice

Rating: **Achieved**

Key institutions relating to human rights, sexual and gender based violence (SGBV), labour and environment, were identified, with the intention to build future partnerships. These are listed below:

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



REPORT ON **UCT OPERATIONS** DURING 2024 continued

PERFORMANCE AGAINST THE EXECUTIVE OBJECTIVES FOR 2024 continued

Progress toward the establishment of formal partnerships with key institutions towards advancing social justice

Rating: **Achieved**

Partnerships were established with the following:

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

Progress towards a clear theoretical framework for transformation built on scholarship

Rating: **Partially achieved**

The proposal for the special issue for the Transformation in Higher Education Journal and call for papers has been accepted by the journal and publication is envisioned for 2025. The focus for the special issue is ‘Transformation: A Humanizing Praxis’. The special issue invites authors from public universities in South Africa to engage transformation with a provocative idea around the idea of the human, to inspire a dynamic exchange and robust contestation of ideas. It is acknowledged from the onset that although the term ‘transformation’ is used regularly and widely, it is illustrative of its contested nature that there exists no consensus on what it means. For the purpose of generating scholarship on/for/of transformation in higher education and society, we depart from a short-hand vision of ‘transformation’ as constituting ‘a humanising praxis.’



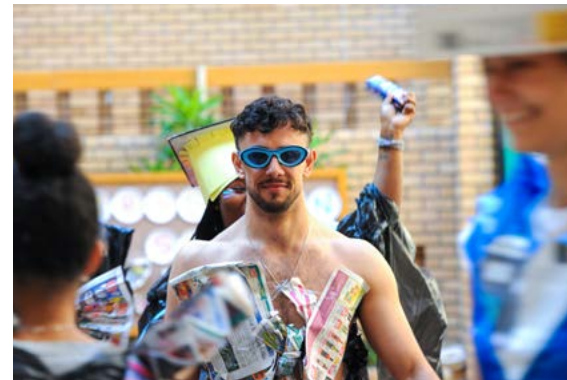
GOAL 3

Offering a holistic, innovative, future- oriented education

Development of a coordinated junior academic staff professional development opportunity

Rating: **Achieved**

- » New Academic Practitioners Programme: In 2024, 39 participants registered and completed the New Academic Practitioners Programme across all faculties. Feedback from both cohorts was positive, highlighting the programme’s impact on pedagogical knowledge and practice, and its benefits for ad hominem promotions.
- » Established Academic Practitioners Programme: In 2024, there were 15 participants from Commerce, Humanities, FHS, Science, CHED, EBE, and Law faculties.
- » Head of Department Programme: In 2024, the programme did not run but picked up again in March 2025. The programme was valued for the opportunity to interact with UCT executives and the reflective space for learning from experienced HoDs, helping participants craft their leadership styles within a community of practice.
- » SoTL: A new programme, aimed at developing Scholarship of Teaching and Learning (SoTL), was launched in 2024 through the DHET UCDG funding. This was developed in response to a need for ASPD alumni looking to enhance their scholarship of Teaching and Learning, which ASPD staff then responded to through the SOTL4Change@UCT programme to meet these staff needs.
- » In 2024 the Centre for Innovation in Learning and Teaching (CILT) offered a total of 52 training sessions recorded 1 042 participants engagements. Amathuba training continued to support the migration and provide training for staff, with 28 sessions held with attendance of 308 participants. CILT also offered 30 AI in Education workshops with just over 500 participants.
- » A new short course for teaching staff, Designing with AI, was launched on Amathuba in September 2024. There were 40 participants; of the 40 participants, 17 received attendance certificates and 23 received pass certificates.



REPORT ON **UCT OPERATIONS** DURING 2024 continued

PERFORMANCE AGAINST THE EXECUTIVE OBJECTIVES FOR 2024 continued

Revision of UCT's Assessment Policy with a roll-out of the implementation plan/faculty guides for 2024

Rating: **Achieved**

Following work in 2021 on revising the UCT Assessment Policy, a draft was disseminated for review and feedback in 2022. The key channels in which the policy was disseminated included faculty representatives belonging to the Assessment Framework Working Group, who took responsibility for collecting feedback from their respective faculties, the Senate Teaching and Learning Committee and selected experts. The draft policy was also made available to the wider academic community for comments through a Centre for Innovation in Teaching and Learning (CILT) web page. Valuable feedback was offered to the Project Team by this Committee, which suggested that while significant progress had been made, further revision was necessary before it could be adopted. At a later Senate Teaching and Learning Committee meeting in 2022 it was recommended that adoption of the policy only be considered in 2023, the last project year, due to a lack of institutional readiness for change.

A revised Assessment Policy was considered and included by the Senate Executive Committee on the agenda for discussion and ratification by Senate in late 2023 (Senate Agenda 17 November 2023). However, due to time constraints and extensive discussion of other agenda items, the policy was not considered as originally planned. As a result, the policy was subsequently ratified in early 2024.

The development of a plan to automate student level performance reports

Rating: **Progress made**

Two additional Amathuba modules, Performance Plus and Creator Plus, were implemented in 2024. These modules augment Amathuba's capabilities, adding support, advanced reporting, student progress tracking and learning analytics, as well as the ability to create engaging interactive content. However, the automation of student level performance reports has not yet been implemented. Due to the later introduction of the data analytics functionality on the platform, the implementation strategy is now under review.



GOAL 4

Research solving Afrika's problems

Develop a mechanism to monitor thesis and dissertation submissions in relation to SDGs

Rating: **Not achieved**

The Postgraduate Support Hub was a key area of activity as part of the DVC R&I's Research Support Transformation project in 2023. As part of this process, the workflow of the postgraduate thesis from its registration on PeopleSoft through its submission and eventual publication on OpenUCT was mapped in detail. A proposal was formulated for an SDG field to be added to the thesis submission form so that detailed information can be collected at the time of examination and completion. This has not yet been undertaken.

One research initiative developed in each of seven thematic tracks or SDGs

Rating: **Partially achieved**

During 2020, UCT participated for the first time in the Times Higher Education (THE) Impact Rankings, which – unlike other such international rankings – aims to assess the impact of higher education institutions against the United Nations' Sustainable Development Goals (SDG).

UCT consistently scores highly against the Sustainable Development Goals for which it submits data. UCT came 3rd in South Africa in 2024, ranking 77th (U Johannesburg =36; U Pretoria 42). In 2024, UCT was ranked in 13 out of the 17 SDGs; in six of these SDGs, UCT scored in the top 100 (top 10%) in the world. UCT's overall score of 77th in the world broke into the top 100 for the first time in 2024. Notable high scores in 2024:

- » tied for 77th position worldwide (1963 universities entered; UCT scored in top 4%)
- » 7 out of 2031 for SDG 17 Partnerships for the Goals, top 0,4%
- » 13 out of 628 for SDG 14 Life Below Water, top 2%
- » 23 out of 867 for SDG 6 Clean Water and Sanitation, top 3%
- » 64 out of 1093 for SDG 1 No Poverty, top 6%
- » 81 out of 1086 for SDG 16 Peace, Justice and Strong Institutions, top 7,5%
- » 98 out of 1018 for SDG 9 Industry, Innovation and Infrastructure, top 10%

UCT's main competitors in these rankings are University of Johannesburg (UJ), tied at 36th place in 2024 and University of Pretoria (UP) ranked at 42. UCT's strongest ranking, in SDG17, shows the strength and value of UCT's local, national, regional and international partnerships. In SDG 17, UP scored 65th; UJ scored in the 201 – 300 range.



REPORT ON **UCT OPERATIONS** DURING 2024 continued

PERFORMANCE AGAINST THE EXECUTIVE OBJECTIVES FOR 2024 continued

Enhanced end to end support framework for the research enterprise-research life cycle workflow is in place

Rating: Achieved

UCT launched an ambitious project to significantly improve the structures and processes that support and facilitate research. This Research Support Transformation Project aims to position UCT's research to flourish and grow, facilitated through effective and efficient research support. The project will review and adapt the University's research support systems to better facilitate UCT's research. The scoping of Phase I of this project was initiated during 2021 and highlighted addressing key "pain points" in the research landscape for which rapid solutions could be found. Phase II addresses research support from a systems perspective. Running from January to December 2022, it is comprised of 12 workstreams.

Research Project Navigator

The Research Project Navigator (RPN) is a set of webpages housed on the Research Support Hub website. This comprehensive platform has been developed to streamline and optimise the research project lifecycle. The tool will guide researchers through every phase of their projects, from concept to completion, clearly defining roles and responsibilities and providing clear access to support services at each stage, including connections with the Research Office, Research Contracts and Innovation, Central Research Finance, Faculties and other support units.

Improved support for research through Service Level Agreements: Financial reporting systems reworked for 2024

Rating: Partially achieved

The support needs of researchers within the University vary based on stage in research career, nature of research, source of funding and whether researchers work individually or in teams. A one-size-fits-all approach to research support is therefore not appropriate. In keeping with these aspects, researchers within all the faculties have been clustered into groupings based on nature of research activity.

The Research Support and Transformation (RST) Project was initiated during 2021, with consultation and design phases taking place during 2022. Nine workstreams have been identified as part of the implementation phase in 2023, while quick hits and implementation solutions to these have been identified.

Service Level Agreements (SLAs)

As part of the RST project, the development of Service Level Agreements (SLAs) was initiated with three units: Research Support Services (RSS), the International Grants Hub (IGH) and the Postgraduate Funding Office (PGFO). Service dictionaries were defined for each unit and a meeting with researchers was held to assess their expectations and identify potential service gaps/misalignment. The SLA for IGH has been fully developed, while the SLAs for RSS and PGFO remain works in progress.

With the recent launch of the Research Office BPR project in March 2025, the SLA process will be integrated into this broader review to ensure alignment with the evolving needs of researchers, with a target to complete all SLAs by December 2025. In the interim, a graphic has been developed outlining the various research support services across the University (those with research as their core mandate and those who offer research support as well as support for teaching and learning), detailing the type of support offered and how to contact each unit or get more information on their service offerings. Service level agreements (SLAs).

A revised, fit-for-purpose Research Office structure, with clearly defined units and their service offerings documented in SLAs. The number of units will depend on the outcome of the review, which may lead to the consolidation of existing units/directorates or the establishment of additional ones, there will be an SLA for each directorate.

Financial reporting systems re-worked

Research Finance Gate (RFG) has been developed to streamline research project financial management at UCT. The RFG automates data extraction, simplifies reporting and reduces reliance on manual processes, addressing common challenges such as Excel conversions, delayed financial reporting and compliance issues.

The RFG is being rolled out across faculties in a phased approach, allowing for tailored adaptation to specific needs. A comprehensive governance structure has been established, including a Project Implementation Committee, Working Group and Faculty Super User Groups, to support smooth adoption and continuous improvement. Fact sheets are available to help users understand the tool's benefits and features.

Funding has been secured for the RFG rollout in 2025 through the ITIPC, ensuring continued development and support. Additionally, a budget request for a permanent systems analyst to oversee the RFG's long-term implementation and enhancements is currently under development.

The RFG rollout marks a significant step forward in improving research financial management, ensuring timely, accurate reporting and reducing administrative burdens for researchers. Feedback will continue to be gathered to refine and enhance the system. The goal is to have the RFG fully developed and integrated into the research finance reporting toolkit by the end of 2026.

Establish research-active criteria by discipline

Rating: Partially achieved

To advance UCT's Vision 2030 goals, the Executive is initiating a process to define clear, discipline-specific criteria for identifying research-active staff. This process has begun with the implementation of Phase 1 of the Research Performance Dataset, which will identify trends in publication, postgraduate supervision, and grant activity across faculties. This will be followed by exploratory efforts towards establishing a suitable model for setting performance criteria.



REPORT ON **UCT OPERATIONS** DURING 2024 continued

PERFORMANCE AGAINST THE EXECUTIVE OBJECTIVES FOR 2024 continued

Ten junior academic staff progressing to research-active status

Rating: Partially achieved

Launched in 2019, the category of Junior Research Fellows (JRFs) is well-positioned in order to bridge this gap, providing an entry-level category to academic appointment on the research track, equivalent to the junior lecturer rank on the teaching track. The Junior Research Fellow awards aim to strengthen the career-pathing of a next generation of researchers that are nurtured and well-networked into a community of scholars working in an interdisciplinary way and, secondly, to bolstering the interdisciplinary research capacity of UCT's research groupings. In 2019, 10 awards (cohort 1) were made while 6 awards (cohort 2) in 2020 with the fellows to commence in 2021.

A total of 33 JRFs were awarded to research groupings (RGs) between 2019 and 2024 across 5 cohorts. From these awards:

- » Cohort 1 (2020): 10 awards were made. All 10 awards were concluded in 2023 with 2 fellows retained as Lecturers and 2 fellows have NRF ratings (Y1 and Y2).
- » Cohort 2 (2021): 6 awards were made. 5 awards have been completed. One fellow has been retained as a Senior Lecturer and 2 have NRF ratings (Y1 and Y2).
- » Cohort 3 (2022): 3 awards were made. Cohort going into their final year.
- » Cohort 4 (2023): 7 awards were made.
- » Cohort 5 (2024): 7 awards were made.

Fifteen have been concluded (all 10 from Cohort 1 and five out of six from Cohort 2), Fifteen from Cohorts 3 to 5 are still active, and of the active awards, two are still to place their fellows from Cohort 5. Two awards were rescinded.

Increased number of strategic collaborations with Afrikan partners

Rating: Achieved

The following collaborations have been initiated:

- » CREE Intra-Africa Mobility Scheme - Africa-focus
- » CAF: General - Africa-wide
- » Boitekanelo College: School of Allied Health: General 2023–2028 Botswana
- » Cardiac Surgery Intersociety Alliance Pilot Project: General - Africa-focus
- » Nigerian Institute of Advanced Legal Studies: General MoU 2023–2026 Nigeria
- » University of Abuja: General 2023–2028 Nigeria
- » University of Dar Es Salaam: Mobility 2023–2028 Ethiopia
- » University of Namibia 2022–2027: General Namibia
- » Immersion African: Short Term 2022–2027 - Africa-focus
- » Ministry of Health Rwanda: General - Rwanda
- » United Nations System Staff College: General 2022–2027 Global
- » WUN virtual exchange programme: Mobility 2021–2026 Network (global)
- » OWSD PhD fellowship programme for part-time sandwich study scheme Africa-focus
- » CEMS: Mobility - Global (business school alliance)
- » Malawi University of Science and Technology: General - Malawi
- » Mandela Institute for Development Studies: Mobility Africa-wide

- » African Research Universities Alliance (ARUA): Consortium Network (Africa-focussed)
- » International Alliance of Research Universities (IARU) Network (global)
- » Plateau State University: General 2014 Nigeria
- » Kwame Nkrumah University of Technology: Research Ghana
- » Agence Universitaire de la Francophonie (AUF) Network (global)
- » Association of African Universities (AAU) Network (Africa-focussed)
- » Association of Commonwealth Universities (ACU) Network (Africa-focussed)
- » Southern African Nordic Centre (SANORD) Network (Africa-focussed)
- » Southern African Regional Universities Association (SARUA) Network (Africa-focussed)
- » Worldwide Universities Network (global)
- » AIMS: Mobility - Africa-focus

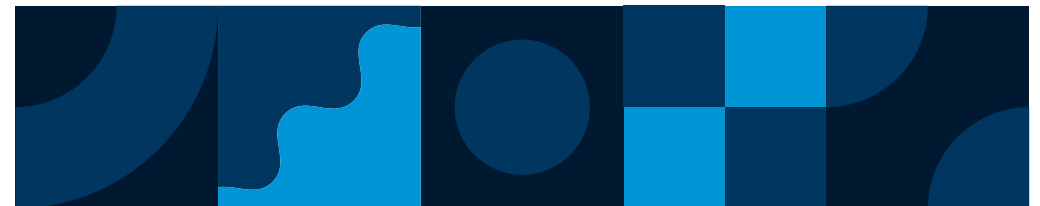
Increased number of partnerships with industry

Rating: Achieved

Under the new Industry postdoctoral fellowship programme five awards were made to UCT Principle Investigators and their industry partners. R330 000 as stipend for the PDRF and R100 000 for research and travel costs. New and existing industry partners were awarded under this programme:

- » Prof Kirsty Carden and Bureau d e Recherches Geologiques et Minières (BRGM)
- » A/Prof Kirsten Corin and AECI Mining Chemicals
- » Prof Dave Deglon and Anglo-American Platinum
- » Dr Cesarina Edmonds-Smith and Western Cape Department of Agriculture
- » Prof Michelle Kuttel and GSK Vaccines Institute for Global Health (GVGH)

A significant agreement or partnership was entered into with the Confederation of African Football (CAF) in January 2024. The partnership is for the delivery of a continuing professional development programme in leadership to the Confederation's constituent national members and thus covers every country on the continent. Participants travelled to Cape Town to participate in the non-degree learning programme delivered on campus at UCT. 2024 also saw ongoing engagement with the Mastercard Foundation to renew the Mastercard Foundation Scholars Program for a further ten years when the current agreement lapses in 2026.



REPORT ON **UCT OPERATIONS** DURING 2024 continued

2 PERFORMANCE AGAINST TARGETS IN THE 2023 ANNUAL PERFORMANCE PLAN

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

STUDENT NUMBERS¹

UCT's planned headcount enrolment for 2024 was 30319. This total included 320 occasional students, 18076 undergraduates, 3341 postgraduates below the master's level, 6267 master's students and 2316 doctoral enrolments. The headcount enrolment was projected to translate into 22213 full-time equivalent (FTE) enrolments. The actual headcount enrolment in 2024 was 29396 students, including 439 occasional students, 17519 undergraduate full degree students, 3167 postgraduates below the master's level, 6082 master's students and 2189 doctoral enrolments.

The actual 2024 headcount enrolment fell short of the 2024 headcount enrolment target by 3.0% (923 students) despite a 9% (377 students) over-enrolment of first-time entering undergraduates. This is driven by under enrolment in postgraduate qualifications (486 students) and the overall undergraduate enrolment (557 students).

2024 headcount enrolment translated into 22076 FTE enrolments, which was 137 units below the expected FTE enrolment. The lower-than-expected FTE enrolment arose as a result of the under-enrolment at the level of headcount, compounded by students taking a lighter course load than in prior years.

There were negative variances in student enrolments at the undergraduate level (17 519 compared to a target of 18 076), at the master's level (6 082 actual against a 6 267 target) and at the doctoral level (2 189 against a target of 2 316), the enrolment at the postgraduate below master's level was also lower than planned (3 167 against a target of 3 341). This is similar to the pattern from 2023.

The 2024 occasional enrolment, which includes the Semester Study Abroad enrolment, slightly exceeded the target at 439 against a target of 320.

Changes in retention patterns, i.e. more students progressing year on year has prompted an intentional increase for the first year intake in 2023 and 2024 to mitigate against falling below our total undergraduate projections. The 2024 target enrolment was projected to be made up of 46% of the enrolment in Science, Engineering and Technology (SET), 21% in Business/Management, 3% in Education and 30% in the broad Humanities. The actual proportions for 2024 were as follows: 48% in SET, 21% in Business/Management, 2% in Education and 29% in the broad Humanities.

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

DEMOGRAPHIC STATISTICS

The targeted racial profile of the 2024 South African enrolment was 49% African, 18% coloured, 8% Indian and 24% white. The actual demographic profile of the 2024 South African enrolment was as follows: 47% African, 18% coloured, 8% Indian, 23% white and 4% undisclosed. UCT has managed to reduce the number of student with undisclosed race from 14% in 2023 to 4% in 2024. This is due to a change in registration process that made answering the race declaration mandatory. The overall demographic patterns in headcount enrolments is provided below.

Table 7: Headcount enrolments 2020–2024, showing percentage growth on base

	2020	2021	2022	2023	2024	% Change
SA African	7 915	8 787	8 259	10 414	11 667	47
SA Coloured	3 738	3 753	3 514	4 149	4 562	22
SA Indian	1 599	1 580	1 442	1 819	1 939	21
SA White	5 353	4 899	4 222	5 261	5 591	4
International	4 068	3 658	3 702	3 526	4 655	14
Unknown	5 560	6 931	8 072	3 862	982	(82)
	28 233	29 608	29 211	29 031	29 396	4

* Percentage change is calculated as the difference between 2020 and 2024, divided by the base level of 2020 and converted into %.

A disproportionate but desirable increase in SA African enrolments (47% against an overall increase of 4%) is apparent. Over the 2020 to 2024 period, SA White enrolments increased by 4%, SA Indian enrolments increased by 21% and international enrolments increased by 14%. Increases in the various population groups is the result of improved administrative processes capturing population group data.



REPORT ON **UCT OPERATIONS** DURING 2024 continued

PERFORMANCE AGAINST TARGETS IN THE 2023 ANNUAL PERFORMANCE PLAN continued

Table 8: Headcount enrolments 2020 - 2024 by race, showing percentage of total

	2020	2021	2022	2023	2024
SA African	7 915	8 787	8 259	10 414	11 667
% of total incl. International	28.0%	29.7%	28.3%	35.9%	39.7%
% of total excl. International	32.8%	33.9%	32.4%	40.8%	47.2%
SA Coloured	3 738	3 753	3 514	4 149	4 562
% of total incl. International	13.2%	12.7%	12.0%	14.3%	15.5%
% of total excl. International	15.5%	14.5%	13.8%	16.3%	18.4%
SA Indian	1 599	1 580	1 442	1 819	1 939
% of total incl. International	5.7%	5.3%	4.9%	6.3%	6.6%
% of total excl. International	6.6%	6.1%	5.7%	7.1%	7.9%
SA White	5 353	4 899	4 222	5 261	5 591
% of total incl. International	19.0%	16.5%	14.5%	18.1%	19.0%
% of total excl. International	22.2%	18.9%	16.6%	20.6%	22.6%
International	4 068	3 658	3 702	3 526	4 655
% of total incl. International	14.4%	12.4%	12.7%	12.1%	15.8%
Unknown	5 560	6 931	8 072	3 862	982
% of total incl. International	19.7%	23.4%	27.6%	13.3%	3.3%
% of total excl. International	23.0%	26.7%	31.6%	15.1%	4.0%
Totals	28 233	29 608	29 211	29 031	29 396

* % of total incl international is calculated as the race count divided by the total for that year and converted into a percentage

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

STUDENT HOUSING

The projected and planned capacity for 2024 was 8 092. Table 9 presents the comparison between planned bedspaces and actual bookings as of 15 March 2024.

At the start of 2024, the total number of beds available in the system increased to 8 215, up from 7 949 in 2023. The increase was primarily attributed to the exchange between Rochester House and Clarendon House.

Table 9 below outlines the planned bed space plan per residence tier, including the allocation of new and returning students, as well as University-leased residences. A total of 8 066 students were accommodated within the residence system on 15 March 2024, achieving a 98% occupancy rate based on the actual capacity. The number of new undergraduates accommodated was 2 469, surpassing the allocation target by 10%. The remaining 5 597 beds were occupied by continuing students and postgraduates.

Table 9: 2024 Residence bookings and available spaces by tier

	Student	Capacity	Bookings
First	New	2 100	2 157
	Returning	2 071	2 038
	Total	4 171	4 195
Second	New	150	233
	Returning	2 092	2 025
	Total	2 242	2 258
Third	New	461	484
	Returning	286	226
	Total	747	710
Total Campus Accommodation	New	2 711	2 874
	Returning	4 449	4 289
	Total	7 160	7 163
Leased Accommodation	New		178
	Returning	932	725
	Total	932	903
Overall	New		5 926
	Returning	8 092	9 303
	Total	8 092	8 066



REPORT ON **UCT OPERATIONS** DURING 2024 continued

PERFORMANCE AGAINST TARGETS IN THE 2023 ANNUAL PERFORMANCE PLAN continued

STUDENT SUCCESS RATES

Please note that specific objectives linked to the University Capacity Development Grant are discussed here. UCT expected in the region of 8021 graduates in 2024. This target included a projected 4038 undergraduate completions, 2262 completions below the master's level, 1433 master's graduates and 288 doctoral graduates.

To date, we have recorded 7550 graduates in respect of 2024, made up of 3679 undergraduate completions, 2091 postgraduate completions below the master's level, 1 401 master's graduates and 289 doctoral completions. The lower than target completion at the postgraduate below master's level exceeds the lower than target enrolment at this level.

Among the graduates to date, 43% were in SET, 25% were in business/management, 5% were in education 27% were in the broad humanities. The 2024 graduate total included 589 research master's graduates in all disciplines (against a target of 788).

The expected 2024 graduate outputs in the scarce skills areas include 559 undergraduate Engineering graduates, 252 undergraduate Life and Physical Sciences graduates, 329 undergraduate Human Health graduates and 160 Teacher Education graduates. Actual graduates in the scarce skills areas included 501 Engineering graduates, 214 graduates in the Life and Physical Sciences, 342 Human Health graduates and 160 Teacher Education graduates. Graduate targets were thus largely achieved, apart from in the Engineering area and Life and Physical Sciences areas. The undergraduate (HEMIS levels 41, 42 and 43) course success rate in 2024 was 89% while the overall course success rate was 86% against a target of 83%. The overall FTE success rate was 89% over a target of 85%.

The 2024 undergraduate course success rates among South African and international students are shown in Table 10 below:

Table 10: 2024 UG course success rate demographic profile

SA African	SA Coloured	SA Indian	SA White	SA undisclosed	International	Overall
83%	87%	89%	91%	85%	92%	86%

The undergraduate course success rates in 2024 thus ranged between 83% (for SA African students) at the lower level and 91% for SA white students, at the upper end, exceeded only by International students at 92%. The overall success rate is 86%. The gap between SA African and SA White has reduced from 13% to 8% since 2023.

Course success rates in the scarce skills areas were as follows: 85% in Engineering, 84% in the Life and Physical Sciences 96% in Human Health and 90% in Teacher Education. Targets still to be updated.

The data for 2019 cohort data was not available as at 12 May 2025. Examination of the longitudinal performance of the 2021 first-time entering (FU) undergraduate bachelor's cohorts, excluding Health Sciences entrants, shows the following:

- » 68% of the 2019 FU cohort had completed an undergraduate qualification within five years of registering at UCT.
- » 15% of the 2019 cohort had been excluded from UCT on academic grounds during the five-year period of the analysis.
- » The rate of dropout in good academic standing among the 2019 cohort was 10%
- » 7% of the 2019 FU cohort were still busy with undergraduate studies at the end of 2023. This proportion had tended to fluctuate between 6% and 9% within recent FU cohorts.

RESEARCH OUTPUTS

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

Table 11: 2024 research outputs

Output category	Outputs for 2023	Targets 2024	Actuals 2024
Publication Units	1 666	1 586	1 574
Research Master's Graduates	762	788	722
Doctoral Graduates	247	288	289
Total Unweighted Research Outputs	2 675	2 662	2 585
Total Weighted Research Outputs	3 169	3 237	3 145

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



REPORT ON **UCT OPERATIONS** DURING 2024 continued

PERFORMANCE AGAINST TARGETS IN THE 2023 ANNUAL PERFORMANCE PLAN continued

ACADEMIC STAFFING

UCT's 2024 HEMIS staffing submission shows that a total of 1204 (against a target of 1 208) permanent instruction/research or academic staff were employed in the six faculties and in CHED. This is slightly higher than the 2023 total of 1 178. The 2024 academic staffing headcount translated into 1 635 instruction/research staff FTEs (against a target of 1 830). The proportion of permanent, full-time academic staff qualified at the doctoral level in 2024 was 57% (63% in 2023). A further 26% of these academic staff held master's degrees. The Research sections of this report suggest that students across the University could expect to be taught by academic staff actively engaged in research in their particular disciplines. Performance against key teaching and learning indicators is summarised in Table 12 below:

Table 12: Performance against key indicators

Key Performance Indicator	Actual Year n-1 (2023)	Target Year n (2024)	Actual Year n (2024)
ACCESS			
Headcount totals			
First-time entering undergraduates	4 170	4 080	4 457
Headcount enrolments	29 031	30 319	29 396
Headcount enrolments total UG	17 400	18 076	17 519
Headcount enrolments total PG	11 165	11 924	11 438
Headcount enrolments first year foundation provision	597	700	743
Enrolments by major field of study			
SET	13 839	13 853	13 982
Business/management	6 010	6 324	6 107
Education	699	903	813
Other Humanities	8 483	9 034	8 494
Distance education enrolments	44	205	11
SUCCESS			
Graduates UG (undergraduate certificate and diplomas and bachelors degree qualifications)	3 715	4 038	3 769
Graduates PG (postgraduate diplomas, Honours, Masters and Doctoral qualifications)	3 633	3 983	3 781
Overall FTE Success Rate	83%	83%	86%

Key Performance Indicator	Actual Year n-1 (2023)	Target Year n (2024)	Actual Year n (2024)
Undergraduate output by scarce skills			
Engineering	552	559	501
Life and Physical Sciences (CESM 13 and 14)	251	252	214
Human health	350	329	342
Teacher education (PGCE)	120	160	160
EFFICIENCY			
Instruction/Research professional staff			
Headcount of permanent instructional/research professional staff	1 178	1 208	1 204
FTE of permanent instructional/research professional staff	1 830	1 830	1 596
Ratio of FTE students to FTE instructional/research staff	12	13	13
Research output			
Publication units (weighted) per instruction/research staff	2.69	2.7	2.61*
Research master's graduates	762	788	722
Doctoral graduates	247	288	289

* This is based on provisional data which includes the unit claims we have recently submitted. These submissions will go through DHET review and audit. The final report is usually available in December or early in the new year. The units provided are made up of: Authored Books: 73.15 units, Chapters: 76.5 units, Proceedings: 62,93 units, Journal articles: 1 361.29 units. The total unweighted units are 1 574.

NOTES ON TABLE 12

Access

An Enrolment Planning Task Team meets with each faculty in an information rich setting to discuss incoming targets for year n+1. In these meetings the faculties are required to provide information on the strategies that will be put in place to attain their proposed targets where big changes are proposed in comparison with their current actuals or where changes may be needed in line with institutional policy. Incoming enrolment targets are set in the context of meeting the targets of the Ministerially- approved enrolment and efficiency targets 2020-2025 for the University of Cape Town. The Faculty incoming targets are approved by the Admissions Committee, Senate sector and Council. Over-offer targets are set at the UG level to ensure full enrolment. These are monitored throughout the admissions cycle. The targets for accredited distance education qualifications go through the same processes.

Success

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

REPORT ON **UCT OPERATIONS** DURING 2024 continued

PERFORMANCE AGAINST TARGETS IN THE 2023 ANNUAL PERFORMANCE PLAN continued

ACADEMIC STAFFING continued

NOTES ON TABLE 12 continued

Efficiency

Instruction/Research professional staff: Although instruction research staffing is limited by the budget, UCT attempts to ensure that academic staffing growth in terms of headcounts and FTEs keeps up with growth in terms of headcounts and FTEs keeps up with growth in enrolments.

Research output

There is an increasing awareness at UCT that significantly more attention must be paid to the postgraduate sector. The range of interventions in this regard include increasing postgraduate student support (e.g. financial, skills development, and supervision), and enhancing efficiencies in administration (regarding admission and registration, central funding, student housing, and faculty postgraduate administration). The Office for Postgraduate Studies (OPGS) offers a vast range of holistic and interdisciplinary seminars and workshops (over 140 in 2024) specific to different levels of study and stages in the academic career, across all faculties. Seminars, workshops and events focus on research processes and ethics; scientific communication, presentation skills, academic writing and publishing; the postgraduate teaching and learning process (including supervision relations); social responsibility and community-engaged research; and personal wellbeing along the academic journey. Some of these initiatives are departmental, faculty and student-led but offered in collaboration with the Directorate while others are developed and delivered by the OPGS. In 2024, attendance of postgraduate events reached nearly 4 000.



REPORT ON EARMARKED GRANTS

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

UNIVERSITY CAPACITY DEVELOPMENT PROGRAMME (UCDP)

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

UCT received DHET funding for institutional projects totalling approximately R43 million (dependent on DHET adjustments) over the 3-year period (2024-2026). The cumulative funding distribution is: 38.7% for student development/support, 55.4% for staff development, and 5.8% for curriculum and cross-cutting focus areas. Total funding awarded to the institution in 2024 was R12.5 million. Monthly project expenditure reports, generated by the CHED Finance Unit, were provided to the Institutional Manager for discussion with projects at quarterly meetings. To accommodate the late transfer of funds in the first half of 2024, DHET extended the project implementation period from December 2024 to March 2025. Project teams are concluding their activities and expenditure for 2024.

Funds were transferred to projects in July 2024, with all projects fully implemented following DHET feedback. The UCDG team hosted a successful DHET site visit in October 2024, during which UCT was commended for implementing the Institutional Plan expeditiously despite funding delays. Table 13 summarises UCDG projects for 2024-2026.

REPORT ON UCT OPERATIONS DURING 2024 continued

REPORT ON EARMARKED GRANTS continued

UNIVERSITY CAPACITY DEVELOPMENT PROGRAMME (UCDP) continued

Table 13: 2024 UCDG projects for 2024–2026

Focus Area	Project Name	Faculty	Total amount awarded per Project (3-year period) (R)	Amount awarded in 2024 (R)
Student Success	Enabling Undergraduate Student Success	EBE & CHED	16 505 951	3 760 640
Student Success	Enabling Postgraduate Student Success	HUM & CHED	986 390	322 730
Staff Development	Staff Research Development	Research Office & CHED	9 184 200*	2 883 400*
Staff Development	Staff Leadership Development	CHED	1 595 150*	494 550*
Staff Development	Tutor Development Programme	HUM, HSF, EBE & CHED	5 972 460	1 781 620
Staff Development	Staff Development in Assessment & AI	CHED	1 709 400	668 700
Staff Development	Innovative Pedagogies & Resources in Mathematics	SCI	1 357 630	508 500
Staff Development	Developing Course Evaluations for Impact	CHED	1 103 500	348 500
Staff Development	Enhancing Academic Capacity, Leadership & Change Agency for Curriculum Transformation in Health Sciences	FHS	2 210 000*	750 000*
Curriculum Development	Enhancing Graduate Tracking to Inform Curricula	CHED	509 360	354 760
Cross-Cutting Focus Areas	UCDP Grant Management	CHED	1 947 600	636 600
Total			43 081 641*	12 510 000*

*2024 Adjusted DHET amounts

GRANT MANAGEMENT

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

The 2024 UCDG annual report will be submitted to the DHET in May 2025 and projects are currently preparing their final annual reports. Project teams have also been asked to prepare a close-out evaluation report detailing the extent to which anticipated outcomes have been achieved.

In reflecting on the activities within the UCDP in 2024, a need for additional financial administrative support was identified, as the demands of the UCDP are significant. While the UCDP is supported by the CHED Finance Office, its workload extends beyond the UCDP to all DHET and other internal, finance-related activities of CHED. An additional resource, dedicated to the UCDP and other DHET projects managed by CHED, would allow for improved turnaround times to project leaders and enhance monitoring of project expenditure.

UNIVERSITY CAPACITY DEVELOPMENT GRANT COLLABORATIVE GRANTS

University-led collaborative projects are selected by DHET based on strategic importance to the higher education system and sector-wide participation. UCT has one University-led collaborative project entitled “Enabling Registrar Success through Transformed Assessment” located in the Faculty of Health Sciences, now in its second year of a three-year implementation. A DHET site visit in November 2024 resulted in commendation for the project’s impact. Eight new project applications were submitted to DHET in December 2024 following a call for proposals.

Another University-led collaboration under the University Staff Doctoral Programme, the PhD in Engineering Education in the Faculty of Engineering & the Built Environment, applied for a three-year extension in 2024. Despite several meetings with DHET and in-principle approval, formal approval to proceed is still pending. Table 14 summarises UCT-Led Collaborative Grants in 2024.



REPORT ON UCT OPERATIONS DURING 2024 continued

REPORT ON EARMARKED GRANTS continued

UNIVERSITY CAPACITY DEVELOPMENT PROGRAMME (UCDP) continued

Table 14: UCDP-led Collaborative Grants 2024

Project	Remaining balance (as at March 2025)	Mid-Year Performance
University Staff Doctoral Programme (PhD in Engineering Education) 2018-2023	R4 144 523*	The project has not proceeded with implementation plans. Several discussions were held with DHET, who approved the request in principle, but formal approval has not been received. The Institutional Manager and Project Leader maintain regular communication with DHET to resolve the issue. See attachment (USDP Phd Eng Ed).
Workplace-Based Assessment: Faculty of Health Sciences	R7 771 410*	Project implementation is on track. Funds for the entire period were received up front. This includes the balance of unspent funds in 2024 (R2 100 647), the cumulative interest (R1 143 299) and balance available for the rest of the project. Accumulated interest may not be spent without permission from the DHET. The project leader requested an extension of one year and to access interest for additional activities in 2025; the outcome is pending. WBA audited financials attached.

* Note: These amounts include interest accrued on the original grant awarded.

CLINICAL TRAINING GRANT

Established in 2008, the Clinical Training Grant (CTG) supports clinical training within the Bachelor of Medicine and Surgery (MBChB) program, addressing funding gaps from sources such as the DHET Input Subsidy, the Health Professional Training Development Grant, and other streams. The CTG has become vital for UCT, providing essential funding for high-quality training programs in medical and other health sciences fields.



Currently, the CTG supports the MBChB and MMed programs, as well as Physiotherapy, Occupational Therapy, Speech-Language Pathology, and Audiology programs. These funds are crucial for salaries of clinical training and administrative staff, equipment, and operational costs.

For the 2024/25 grant period, UCT received R56.9 million, a 7.5% decrease from the previous period. Over the past five years, the grant has decreased in real terms compared to annual inflation and relative to increasing medical student numbers. Despite the 2023/24 grant reflecting an increase, it effectively only represented a 5% increase from the 2020/21 budget over a 5-year period. These reductions place pressure on the CTG budget considering inflationary and salary increases. Fluctuations in the grant impact planning and operational continuity. See Figure 1 below, particularly concerning staff appointments under permanent conditions. See Table 15 for 2024/25, grant allocation and expenditure (unaudited). The shortfall of R3.1 million will be covered by interest earned on investment.

Figure 1: CTG allocation per annum - UCT

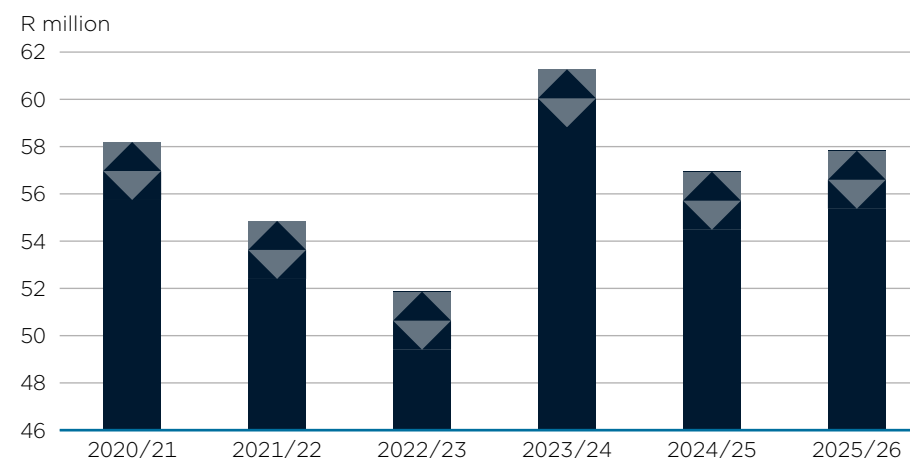


Table 15: 2024/5 CTG grant amount and spend

	Grant Amount (R)	Total Spend (R)
Clinical Staff	45 054 669	46 970 902
Support Staff	11 396 551	12 587 249
Operating Costs	487 867	681 261
Equipment	—	154 894
Buildings	(87)	—
Total	56 939 000	60 394 306

REPORT ON **UCT OPERATIONS** DURING 2024 continued

REPORT ON **EARMARKED GRANTS** continued

NATIONAL STUDENT FINANCIAL AID SCHEME

NSFAS is the largest funder of undergraduate student financial aid across the higher education sector and at UCT. In 2023, NSFAS changed the full fee-free funding model to apply an accommodation cap of R50 000, resulting in funding shortfalls for students whose accommodation exceeded this cap. The University assisted affected students in 2023 using its own funding and donations, but in 2024, the University cannot meet the R150 million shortfall from its resources, resulting in increased student debt.

NSFAS being placed under Administration for a second time exemplifies the challenges experienced in 2024:

The Minister of Higher Education and Training announced a loan scheme for missing middle students (family gross annual income between R350 001 and R600 000) to be managed by NSFAS.

- » The decision to revert allowance payments back to universities was delayed, resulting in students lacking access to meal allowances until April 2024.
- » Many students, especially first years, were unable to access allowances paid via COINVEST, with no support from NSFAS or COINVEST for affected students.
- » Late confirmation of student funding well into the academic year, with some decisions only becoming available in early 2025.
- » Unfunding of students from May 2024 for being above the financial eligibility threshold.
- » Poor management of appeals, with technical issues or lack of processing.
- » Inadequate processing of missing middle funding applications for eligible students.
- » Food and accommodation insecurity for students affected by late funding approval or unprocessed applications and appeals.
- » Payment delays for funded students with registration submitted, with some funding still unpaid.
- » Poor query resolution, with some students' issues remaining unresolved.
- » Poor communication with the sector remains a perennial problem.

These ongoing issues create risk of student protests. The University remains deeply concerned about the impact on students, particularly regarding accommodation and food security, and on the financial sustainability of the higher education sector. Where possible, the University has assisted students with food parcels and other humanitarian support. Close to 40% of South African undergraduate students were receiving financial assistance in previous years, with higher figures when including corporate funding. NSFAS remains central to institutional stability—its success is UCT's success, and its failure affects UCT. It is imperative that NSFAS engages the sector constructively and accepts help to resolve ongoing challenges.

FOUNDATION PROVISION GRANT

The Foundation Provision Grant complements the Teaching Output Sub-Block Grant for undergraduate funding. Its primary purpose is to improve academic performance of first-time entering undergraduate students at risk of failing or dropping out. These students are placed in extended curriculum programs approved by the Minister, which are one year longer than the regular qualification. In 2024, UCT offered 15 Extended Curriculum Programs across the faculties of Humanities, Science, Commerce, and Engineering and the Built Environment. UCT made a substantial additional financial contribution to ensure responsible delivery of these programs, signalling the importance placed on supporting academically challenged students.

The DHET allocation to UCT was R17.05 million, which UCT supplemented substantially. The Health Sciences Intervention Programme has been discontinued, with an alternative approach now supporting students in that faculty.

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

NEW GENERATION OF ACADEMICS PROGRAMME

The New Generation of Academics Programme (nGAP) is a flagship DHET program created under the Staffing South Africa's Universities Framework (SSAUF) to improve academic staffing at universities. It addresses challenges including inequality of representation, an aging academic staff cohort, unfavourable staff/student ratios, low throughput rates, and expertise shortages. At UCT, a cohort system enables nGAP lecturers to develop networks and contribute to a more equitable institutional culture.

UCT welcomed its first nGAP cohort in 2016 and has accepted new members across faculties from each successive phase. Lecturers from Phases 1-4 have completed the program, but most continue to serve as mentors to new incumbents, enhancing the early career academic experience through interaction between cohorts.

One nGAP candidate was awarded the Mandela Harvard Fellowship for September to December 2025. The recruitment process for all four Phase 9 posts has been completed, with three positions filled as of April 2025 and the fourth pending DHET approval. UCT has applied for four positions in Phase 10 and awaits DHET's decision. The breakdown of posts and funding received per phase is shown in Table 16 below:



REPORT ON **UCT OPERATIONS** DURING 2024 continued

REPORT ON EARMARKED GRANTS continued

NEW GENERATION OF ACADEMICS PROGRAMME continued

Table 16: nGAP budget and posts over the nine phases

nGAP Phase	Budget received from DHET (R)	Number of posts awarded
Phase 1	R10 925 000	5
Phase 2	R9 330 932	4
Phase 3	R7 500 000	3
Phase 4	R12 500 000	5
Phase 5	R12 500 000	5
Phase 6	R12 955 550	5
Phase 7	R13 741 800	5
Phase 8	R10 993 440	4
Phase 9	R11 479 352	4
Total	R101 926 074	40

DHET FUNDED INFRASTRUCTURE PROJECTS

ICTS WIRELESS DENSIFICATION PROJECT

In 2012, UCT established the Classroom Renewal Project (CRP) to upgrade 172 centrally bookable classrooms over 5 years according to standards developed with the Classroom Facilities Advisory Subcommittee and the Project Implementation Committee. The project determined that increased wireless coverage through densification across 109 teaching venues was required.

The CRP concluded in September 2019 with project objectives met. Of the R2 474 250 received from DHET, R1 058 225 remained unspent. In January 2023, ICTS implemented a plan to use the balance for wireless densification in identified Teaching and Learning venues:

- » Hiddingh Campus
- » Chris Barnard
- » Harry Oppenheimer

The project is now complete, with the total amount of R2 474 750 spent as of December 2024.

THE 'NETWORK RENEWAL PROJECT'

UCT's data network, which evolved over the past 14 years, spans several geographically separated campuses including a satellite campus of the Graduate School of Business in Sandton. The current hierarchical network utilises Core, Distribution, and Access layers connected via multiples of 1Gbps or single 10Gbps links.

While this infrastructure has served the University well, approximately 2 500 of the 3 500 wireless access points and the core switching infrastructure have reached end-of-life and require replacement. Demand for reliable ICT services has grown exponentially, with wireless connectivity now preferred over wired connections. Research, teaching, and learning increasingly depend on computing and digitised datasets, requiring substantial storage, computing power, and bandwidth.

The Network Infrastructure Renewal (NIR) project addresses these challenges by:

- » Replacing end-of-life network infrastructure
- » Increasing network speed to accommodate bandwidth growth for research, teaching, and learning
- » Improving support, monitoring, security, flexibility, and resilience

The project also ensures reliability of the infrastructure supporting operational technologies such as access control, video surveillance, alarm systems, and student admissions and registration.

The project commenced in March 2018, with the initial budgetary allocation (R78 million from DHET and R30 million from UCT) either expended or committed. It is 83% complete and on track. In 2019, UCT approved an additional R60 million for an expanded scope, including network renewal for the UCT GSB and portions of the access layer not originally included.

As of December 2024, total expenditure was R160 636 231, of which R78 million was DHET funding.



REPORT ON **UCT OPERATIONS** DURING 2024 continued

REPORT ON **EARMARKED GRANTS** continued

DHET FUNDED INFRASTRUCTURE PROJECTS continued

DHET: ICTS STORAGE PROJECT

In 2019, the storage project began upgrading the University's storage infrastructure and capacity to meet Research, Teaching and Learning, Administrative, and Professional service requirements. Originally expected to complete by December 2023, the project continues due to delays at ICTS.

Work completed:

- » Tier 0: Pure storage for enterprise applications
- » Tier 1: FAS8300 - NetApp
- » Tier 2: SG6060 – Storage Grid and Storage grid PAYG licensing
- » Tier 3: Tape Library LT08 for archive & backup, and Point Storage Manager

Work in progress:

- » Tier 3: S3 Cloud Storage for off-site deep archive
- » Tier 1: FAS8200 – NetApp high-speed connectivity and capacity expansion
- » Storage as a Service - Model definition and implementation with show back/chargeback for consumption

As of December 2024, total expenditure was R39 968 196.

UCT UPPER CAMPUS DATA CENTRE PROJECT

The UCT data centre project reached Practical Completion on 1 April 2023. Key dates:

- » Tender date: 18 September 2021
- » Contractor appointment: 22 November 2021
- » Construction start: 1 December 2021
- » Construction end (PC): 1 April 2023

Delays occurred due to the worldwide semiconductor shortage affecting server equipment delivery, and HVAC equipment delivery delays, which postponed ICTS equipment installation until 2023. Problems with the chiller plant also required remedial activities.

Total expenditure on the project is R23 003 036, fully funded by DHET. Post-completion work, including HVAC unit replacement, has an estimated completion date of 4 July 2024, with a budget allocation of R8 000 000.

THE CHRIS HANI BUILDING

The renowned Chris Hani Building (formerly New Science Lecture Theatre), originally built in 1948, has been upgraded to provide better integration within the University precinct and an improved learning environment. The redevelopment project broke ground in mid-2020, with site handover occurring on 6 July 2021.

The project was technically challenging, requiring the façade and roof to be retained and supported externally while the internal structure was demolished. An additional basement level was excavated below the existing foundations, and a new piled foundation was installed. A new internal structure was constructed using a composite steel and concrete approach.

Construction occurred under COVID-19 pandemic restrictions, with social distancing, masks, and hand hygiene strictly observed. All construction activities were confined to the hoarded area to ensure safety.

As of December 2024, total expenditure amounted to R126 566 904, of which R90 000 000 was funded by DHET.

UCT SCHOOL OF EDUCATION

The Faculty of Humanities preferred a standalone building similar to one recently completed at Nelson Mandela University. The School of Education building received four Green Stars from the Green Building Council South Africa (GBCSA) for its environmentally friendly design.

Located in a sensitive ecological area below the cricket oval on lower campus, the project employed specialist environmental consultants to accommodate established trees and a protected frog species. While some trees were relocated, most were retained, surrounding the building with a small forest.

As of December 2024, expenditure amounted to R95 796 178, of which R55 000 000 came from DHET. The building has reached Practical Completion and is operational, with minor items to be closed out.

AVENUE ROAD STUDENT RESIDENCE

UCT's new R222 million Avenue Road Residence in Mowbray provides 500 additional student beds, part of UCT's extended plan for the precinct that will eventually boost accommodation by 2 000 beds. This first-tier residence represents phase one of a planned cluster, which will include a separate multi-residence dining hall for first-year students. UCT obtained heritage approval to ensure the development doesn't detract from existing buildings on the site.

The residence has achieved a four-star green rating from the GBCSA for energy and water-saving features and includes comprehensive disability facilities. The development is co-funded by DHET (R92 million) with R130 million from UCT.

The residence includes 12 universal access rooms, including six assisted-living bedrooms with accommodation for live-in carers. While three other UCT residences have been retrofitted with similar facilities, this is the first for a new residence.

The three-story building has 144 single rooms and 173 double rooms. Phase two will develop the student dining hall on land currently occupied by UCT family "barracks" opposite Mostert's Mill. Phase three will be a 300-bed residence on the Edwin Hart site.

As of December 2024, total expenditure amounted to R176 511 168, of which R102 256 934 was funded by DHET.



REPORT ON **UCT OPERATIONS** DURING 2024 continued

REPORT ON EARMARKED GRANTS continued

DHET FUNDED INFRASTRUCTURE PROJECTS continued

WATER SUSTAINABILITY PROJECT

Following severe drought in the Western Cape, UCT (with approximately 30 000 students) needed a resilient approach to water scarcity in a region likely to become more drought-prone. Beyond environmental obligations, rising water costs are projected to treble within five years.

Funding was requested from DHET to develop a sustainable water management strategy and implement interventions to reduce municipal water consumption in student residences. UCT has pioneered Water Sensitive Urban Design (WSUD) research and established the Future Water Institute to drive trans-disciplinary research and facilitate uptake across policy, practice, and industry.

In response to research and recent drought conditions, UCT commissioned a campus-wide Water Sustainability Management Strategy, committing to ensure business continuity and achieve water Net-Zero by 2050. The strategy's primary objectives are:

Reduce UCT's demand and dependence on municipal water supply and wastewater treatment:

- » Maintain operational continuity during periods of low rainfall and water restrictions
- » Reduce overall water spending through appropriate investments
- » Provide diverse, resilient, and sustainable water resources
- » Mitigate UCT's impact of runoff on downstream water quality
- » Maximise Living Lab opportunities for student learning and research
- » Grow teaching and research on sustainable water management

Completed Projects:

- » Development and implementation of Strategy Plan
- » Phase 2 Geophysics Investigation
- » UCT Billings Analysis and Dam Hydrological assessment
- » Fixtures and Fittings Project
- » Various investigations (Baxter Theatre, School of Education, All Africa House)
- » Underground Services Detection
- » Digital Water Investigation

Active Projects:

SMART WATER METER PROJECT

- » Construction completed in 2023 with final account compiled
- » Project closed with a comprehensive report provided
- » Further work requested to create management reporting workflows, identify trends, and address information gaps
- » Zutari will provide additional information by April 2025 at no cost and recommend solutions for remaining requests

EXPLORATION DRILLING PROJECT

- » Completed with final account being compiled
- » Desktop study completed and presented
- » Indicative costing for borehole setup provided
- » Designs allow for future installation when funds become available
- » Property & Services will monitor the loggers

GREEN PRECINCT PROJECT

- » Tenders advertised following UCT procedures
- » Six bidders on the open tender for the main contractor and two bidders for the WWTP Closed tender
- » Tender negotiations completed after initial bids exceeded budget
- » The STEC committee has accepted evaluations for Mayiza (main contractor) and Alveo (WWTP contractor)
- » Recommendation forwarded to STAC committee for 4 April 2025 meeting
- » Appointments expected in early April 2025
- » City of Cape Town council approval processes proceeding well
- » Net Zero procedures developing well, with data from Kopano being compiled

Project Risks:

1. Budget: No risk for Green Precinct. Approximately R27 million remains in the program budget, sufficient to cover project costs after negotiations with tenderers.
2. Statutory Approvals: No risk. City of Cape Town building approval completed and water license applications progressing well.
3. Ancestry Remain Findings: None identified.
4. Academic Impact: None identified. Construction expected to commence in July 2025, with all necessary communications planned.

General Progress:

- » Final accounts being compiled to allocate remaining funds to the Green Precinct Project
- » Budget aligned with SAP data, with confirmation meeting scheduled for April 2025
- » Project documentation uploaded to UCT SharePoint
- » All annual DHET forecasts and updates provided to UCT Finance
- » WSP fixtures and fittings project passed annual audit with no concerns raised

Occupational Health and Safety:

- » OHS consultants appointed for all completed construction projects with information shared with UCT OHSE team
- » Asbestos removal certificates shared with UCT OHSE team
- » OHS consultant (Safe Working Practice) appointed for Green Precinct in 2024

Sustainability:

The Green Precinct project aims for Green Star level 4 and four net zero ratings (carbon, water, ecology, and waste). Sustainability calculations are being completed ahead of construction.

As of December 2024, total expenditure was R31 690 691.

REPORT ON **UCT OPERATIONS** DURING 2024 continued

REPORT ON **EARMARKED GRANTS** continued

DHET FUNDED INFRASTRUCTURE PROJECTS continued

UCT APPRENTICESHIPS, LEARNERSHIPS AND WIL PROJECTS

Regarding Apprenticeships, Internships, and Work Integrated Learning (WIL), DHET will engage with UCT once funds are allocated. The submission requested funding for a small Universities South Africa (USAF) team to assist universities with implementation and with the Infrastructure and Resource Management (IRM).

UCT's Maintenance and Operations Department prepared a proposal for DHET's consideration, outlining a structured approach for effective management, mentorship, and support of candidates while maintaining operational efficiency. The proposal identified challenges, but recommended solutions requiring appointment of qualified Engineers, Quantity Surveyors, and Architects for dedicated mentorship would likely exceed DHET's budget.

By addressing outlined challenges and strategically allocating DHET funding, UCT aims to create a sustainable, impactful internship program. Collaboration with DHET to refine funding details and program expectations will be essential for successful implementation.



4 SENATE REPORTS TO COUNCIL

There are three annual Senate Reports to Council, namely the Teaching and Learning Report, the Report on Research and the Social Responsiveness Report. The 2023 Research Report was approved by Council in June 2024, and the 2023 Teaching and Learning Report was approved by Council in December 2024. The 2023/2024 Social Responsiveness Report was approved by Council in March 2024.

THE 2023 REPORT ON RESEARCH TO SENATE AND COUNCIL

The University of Cape Town's 2023 Research Report, presented by Acting DVC Professor Jeff Murugan, provides a comprehensive overview of the institution's research landscape, achievements, and challenges. Here's a detailed narrative summary:

RESEARCH PERFORMANCE AND FINANCIAL OVERVIEW

The University demonstrated robust research activity in 2023, securing R2.24 billion in total research income, with R2.10 billion coming from external sources. The institution managed 1 754 research contracts valued at R3.03 billion, showing significant international engagement with 1 017 foreign contracts worth R2.341 million. The Health Sciences faculty led in research income at R1.295 billion, followed by Science at R291.8 million and Engineering at R274.8 million. Major international funders included the National Institutes of Health (USA) with R227.7 million, the Gates Foundation with R161.6 million, and the Wellcome Trust contributing R80.2 million. Domestically, the National Research Foundation provided R200 million, while the South African Medical Research Council contributed R12.2 million.

RESEARCH EXCELLENCE AND GLOBAL STANDING

UCT maintained its position as Africa's leading university while achieving significant global recognition. The institution ranked 167th globally in THE 2024 rankings and secured 50th position in QS Sustainability 2024. Particularly noteworthy were UCT's subject-specific achievements, with Development Studies ranking 15th globally, Environmental Science at 33rd, and Infectious Diseases at 24th. The University demonstrated strong performance across various Sustainable Development Goals (SDGs), notably ranking 9th globally in SDG 6 (Clean Water and Sanitation) and 47th in SDG 5 (Gender Equality).



REPORT ON **UCT OPERATIONS** DURING 2024 continued

SENATE REPORTS TO COUNCIL continued

STRATEGIC RESEARCH INITIATIVES AND INNOVATION

The University's Vision 2030 Grand Challenges program launched several pioneering initiatives addressing critical societal needs. These included the "Mother Load" project supporting low-income mothers, innovative reorientating approaches to water research, and the establishment of the Centre for Developing Cancer Therapeutics for Africa. A significant development was the creation of the contribution was made to the proposal for an Institute for Preparedness and Prevention of Pandemics (IP3), which united ten academic institutions in collaborative research. The University also made substantial progress in emerging fields such as artificial intelligence, exemplified by the awarding of UCT's first co-funded SARChI chair in AI Systems.

RESEARCH SUPPORT AND INFRASTRUCTURE DEVELOPMENT

The Research Support Transformation (RST) Project marked a significant move towards enabling advancement in research infrastructure. Key achievements deliverables for this project included the development of a Research Project Navigator, enhanced postgraduate support systems, and the implementation of a Research Finance Gateway. The University also intends to established faculty research support hubs and improved HR processes for research units. These developments were guided by the objectives emerge from the Research Office Strategic Plan 2023–2028, which focuses on creating an enabling environment for research excellence.

CHALLENGES AND RISK MANAGEMENT

Despite its achievements, UCT faces several critical challenges. The report identifies declining government research funding as a significant concern, alongside the need for enhanced pre- and post-award support systems. Infrastructure challenges, particularly in equipment and computing capabilities, require attention. The University also acknowledges the importance of addressing data protection, security concerns, and the need to attract and retain key researchers. These challenges are being actively managed through strategic initiatives and institutional reforms.



PUBLICATION AND RESEARCH OUTPUT

The University maintained strong research productivity with 1 514.24 journal article units, 208.13 book and chapter units, and 54.88 conference proceedings units in 2022. The publication output demonstrated significant impact, with 15.9% of publications ranking in the top 10% most cited publications worldwide. Notably, 79.6% of UCT publications involved external co-authors, reflecting strong international collaboration.

This report concludes by emphasising UCT's showcases its commitment to maintaining its research excellence while acknowledging the need for continued innovation and adaptation to address emerging challenges in the research landscape. Through strategic planning and targeted interventions, the University aims to strengthen its position as a leading research institution both in Africa and globally.

TEACHING AND LEARNING REPORT 2023

The year 2023 marked significant progress in UCT's teaching and learning ecosystem. The University successfully implemented Amathuba, its new learning management system, while developing crucial policies for digital education and assessment. A notable development was the institution's response to generative AI through comprehensive guidelines from CILT. Faculty-level curriculum transformation projects gained momentum, focusing on decolonisation and renewal of undergraduate programmes.

CHAPTER 2: TEACHING AND LEARNING PORTFOLIO

Following the CHE institutional audit, UCT undertook a structured approach to improvement, organising 30 recommendations into five key themes. The University revitalised its departmental review process with a new framework, beginning with the School of Education. An innovative project mapped course offerings against UN Sustainable Development Goals using AI technology. Teaching excellence remained a priority, with Distinguished Teacher Awards recognising outstanding educators. The year also saw significant policy developments in assessment, online education, and language use.

CHAPTER 3: FACULTY PERSPECTIVES

Faculties successfully navigated the return to in-person teaching while retaining valuable innovations from the online period. The implementation of Amathuba and the Harambee registration system marked major technological advances. Student support services were enhanced, with improved monitoring systems and alignment to NSFAS funding requirements. Faculties aligned their strategies with UCT's Vision 2030, while undertaking comprehensive curriculum reviews and optimising infrastructure use for both physical and digital resources.

CHAPTER 4: INSTITUTIONAL SUPPORT SERVICES

This chapter reveals a comprehensive support ecosystem. Academic staff development programs showed significant success, with multiple PhD completions and promotions. Student support services expanded, with the Academic Development Programme and Writing Centres demonstrating measurable impact. The integration of traditional and technological support services, exemplified by the UCT Chatbot's handling of 65 000 queries, showed innovation in student assistance. Wellness services conducted over 10 575 counselling sessions and introduced new digital support tools. Residence Life programs fostered community building through 47 professional and 260 student staff members.

REPORT ON **UCT OPERATIONS** DURING 2024 continued

SENATE REPORTS TO COUNCIL continued

TEACHING AND LEARNING REPORT 2023 continued

CHAPTER 5: 2023 REVIEW AND FUTURE PLANS

The year represented a return to normalcy post-COVID, with notable achievements across all faculties. These ranged from high admission standards in Commerce to impressive graduation rates in Health Sciences. However, the University acknowledged ongoing challenges in assessment practices, curriculum review, and student throughput. The SASSE survey results highlighted areas needing attention, particularly in student engagement and workload management.

CHAPTER 6: QUANTITATIVE ANALYSIS

The final chapter provided detailed quantitative insights into teaching and learning metrics, comparing current performance with historical data across student and staff profiles, and success indicators. This analysis formed the basis for evidence-based decision-making in institutional planning.

Throughout the report, a clear narrative emerges of an institution successfully transitioning from COVID era adaptations while maintaining momentum in transformation and innovation. While celebrating significant achievements, UCT remains focused on addressing challenges in assessment, curriculum design, and student support, demonstrating a commitment to continuous improvement in higher education delivery.

THE 2022/2023 SOCIAL RESPONSIVENESS REPORT

Previous Transformation Reports focused strongly on nine benchmarks developed in 2019, and 32 specific actions against which departments and faculties were measured annually. This iteration of the Transformation Report serves to engage with all these aspects, in addition to reflecting on transformation in the year 2023.

The 2023 report presents an analysis of the results and reports received from institutional and special projects. Examples of these special projects include, but are not limited to, the work of the Office for Inclusivity and Change, the Special Tribunal on Sexual Misconduct and Racial Discrimination and Harassment, and the work of committees dealing with language, works of art, and the naming of buildings and other campus infrastructure.

Chapter 2: provides an overview of transformation, describing transformation in South African Higher education, its challenges, key focus areas and measurements. It then goes on to describe UCT's approach to Transformation, Diversity and Inclusion (TDI). This chapter also illustrates the hierarchy of accountability for transformation at UCT and the historical context that shapes the TDI strategy.

Chapter 3: describes the benchmark categories and backgrounds and reviews a sample of results for some of the benchmarks from a small group of entities over the last five years. These benchmarks are Strategic integration of transformation, Student access, support and success, Staff access, support and success, Place and space: Language, names, symbols, artworks and identity, Institutional responses to discrimination, harassment and violence, Community engagement: Anchoring UCT in community, Curriculum support: Decolonisation, marginalisation and accessibility, Owning UCT's African identity, Innovations and Alternate approaches and best

practices in transformation, inclusivity and diversity. In 2023, 17 of a possible 18 environments submitted reports, including eight faculties and nine professional administrative support departments. This marked a major increase on previous years. Three challenges to the benchmark approach are also noted, ie data overload, failure to address related institutional governance challenges and inapplicability of certain benchmarks. A comprehensive report of the analysis of each benchmark is presented,

One of the five goals for transformation at UCT is building scholarship on transformation. Collectively, these goals, which are embedded in UCT's Strategic Plan for Vision 2030, have catalysed scholarship for transformation within the University, ensuring that the institution's intellectual praxis surfaces barriers, successes and challenges to transformation in its academic and operational functions.

In Chapter 4: a list of scholarship and research related to transformation produced by UCT academics and students in the past few years, is presented.

Chapter 5: provides conclusion and recommendations of the 2023 transformation report. 2023 is described as a year in which many environments rebuilt a solid foundation for transformation, while others reached somewhat of a pinnacle over a five-year period, and others only recently started reporting on transformation for the first time. UCT faced a number of challenges in 2023, some of which are outlined in this chapter to elucidate the context of transformation during the year. Moving forward four pathways are identified to enable the institution to measure aspects of redress, transformation and inclusion actions, and to establish mechanisms that protect the rights of staff and students. They translate to:

- (1) shared (and measurable) goals in the form of the transformation benchmarks;
- (2) a clear and strategic response to challenges related to institutional and organisational culture in the form of the inclusivity strategy;
- (3) a plan to increase the speed of demographic transformation in the form of the accelerated transformation plan; and
- (4) a policy framework which deals with thematic issues such as racism and GBV.



Professor Mosa Moshabela
Vice-Chancellor
28 June 2025





INSTITUTIONAL FORUM

REPORT 2024



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INSTITUTIONAL FORUM REPORT 2024

OVERVIEW OF THE INSTITUTIONAL FORUM

INTRODUCTION

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

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

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

COMPOSITION

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

IF EXCO

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

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

COMPOSITION OF THE IF EXCO

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

The current membership of IF Exco is as follows:

1. Michael Harris (IF Co Chair: PASS Union)
2. Andrew Lilley (Academic Union)
3. Naziema Jappie (Non-Unionized Rep)
4. Elelwani Ramugondo (Executive)
5. Salome Maswime (Senate Rep)
6. Jacques Rousseau (IF Co Chair – Executive)
7. Jeffrey Mokena (IF CO Chair-SRC)

COMPOSITION OF THE INSTITUTIONAL FORUM

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

Membership of the IF

COUNCIL – THREE MEMBERS AND ONE GENERAL ALTERNATE SERVING THREE-YEAR TERM

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

EXECUTIVE – THE VC APPOINTS TWO EXECUTIVE OFFICERS AND TWO DEANS AND DECIDES TERMS OF OFFICE

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

SENATE – THREE MEMBERS AND ONE GENERAL ALTERNATE SERVING THREE-YEAR TERM

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



INSTITUTIONAL FORUM REPORT 2024 continued

COMPOSITION OF THE INSTITUTIONAL FORUM continued

MEMBERS AND ALTERNATE MEMBERS ELECTED BY THE RECOGNISED STAFF BODIES IN THE MANNER DETERMINED BY THE RULES – SERVING TWO-YEAR TERM

- » Academics Union: Prof Shaheen Mowla; Prof Andrew Lilley; Rudzani Muloiwa
- » NEHAWU: Mr Paul Gaika; Mr Xolani Poswa
- » NUSAS: Ms Naziema Jappie; Mr Shai Makgoba (Alt)
- » Employees Union: Mr Michael Harris; Ms Siphokazi Mngxunyeneni
- » DETAHWU: Mr Bulumko Nkume; Mr Athabile Nonxuba

MEMBERS (10) AND ALTERNATES (INCL. POST GRAD) ELECTED BY THE SRC – SERVING ONE YEAR

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

INVITED IF SUB COMMITTEE MEMBERS

- » Ms Linda Gayiza (Transformation Forum)

STAFF IN ATTENDANCE

- » Mr David Ansara
- » Ms Kelley Phelps
- » Mr Jacques Rousseau
- » Dr Sianne Alves (Director, OIC) (Servicing Officer for the IF)
- » Ms Edwina Ghall (Manager, OIC Disability Services)
- » Cecil Peters (OIC EE Manager)

QUORUM

In 2024, In 2024, quorum of the IF was achieved in all four scheduled meetings and Special IF meetings.



GOVERNANCE

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

IF provided oversight to 4 Executive appointments, including that of the Vice Chancellor Professor Moshabela. Two working groups were established. The first considered the question of the Conflict of Interest and the second working group considered the role of academic freedom in relation to access and use of University property by external parties in situations where the views of external parties might contradict University values and policies.

STRUCTURE

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

The Transformation Forum approved the UCT Transformation Report 2023 as a representation of collective success and continued challenges in relation to the benchmarks. These challenges could be mitigated if there is a strategic alignment between faculty and department approaches to teaching, research and transformation objectives.



INSTITUTIONAL FORUM REPORT 2024 continued

EMPLOYMENT EQUITY

The University has deployed strategies to transform the demographic profile of the University to be representative of South Africa's diversity. While on the surface, in terms of representation UCT's demographic breakdown is progressing well in certain occupational levels – there are several elements that need be unpacked, such as representation at various occupational levels and the University internationalisation strategy which centers global research for Africa and beyond.

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

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

CONCLUSION

The IF at UCT in 2024 continued to fulfil an important role with respect to its mandate in terms of governance of transformation by working closely with the transformation structures. Its subcommittees (the Transformation Forum and EEF) remain active and robust spaces that drive and operationalise the overall transformation agenda, in collaboration with the IF itself, as well as with other relevant governance structures at UCT.



Mr Jacques Rousseau
IF Co-Chair
28 June 2025





REPORT OF THE UNIVERSITY **AUDIT AND RISK COMMITTEE**



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REPORT OF THE UNIVERSITY **AUDIT AND RISK COMMITTEE**

UNIVERSITY AUDIT AND RISK COMMITTEE

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

The term of the previous University Council concluded on 30 June 2024, resulting in changes to the membership of the University Audit and Risk Committee (UARC). The terms of Ms Mokgabudi, Mr Davids, Professor Eccles, and Ms Maphisa came to an end. The University thanks them for their service to the UARC. Subsequently, Mr Mothudi, Professor Gray, and Mr Parker were elected to the new Council and appointed as members of the UARC, while Ms Hess-Robertson was elected as an independent member of the UARC. Mr Mothudi was appointed Chair of the Committee, while Mr Murray was re-elected by Council as an independent member and appointed Deputy Chair of the UARC. Mr Murray's continued involvement has provided the Committee with valuable continuity and ensured a smooth transition with minimal disruption.

In light of the continued significance of IT risk governance and the growing importance of IT security within organisations, the Committee resolved in December 2024 to appoint Dr. T. Molapo, a Council member with expertise in information technology. This appointment aims to enhance the Committee's capacity to effectively fulfil its mandate.

The key responsibilities of the UARC are listed in Council's report on corporate governance (page 10) of this report. The Committee met five times during 2024, comprising four normal meetings and a special meeting held in August to induct the incoming members. Attendance at UARC meetings during 2024 is presented in the table below:

Table 17: 2024 University Audit and Risk Committee attendance

Member	Designation	Apr	Jun	Aug*	Sep	Nov	%
Ms T Mokgabudi	Chair & Council Member	✓	⦿	—	—	—	50
Mr T Murray	Deputy Chair (Independent)	✓	✓	✓	✓	✓	100
Mr E Davids	Council Member	✓	✓	—	—	—	100
Professor N Eccles	Council Member	✓	⦿	—	—	—	50
Ms K Maphisa	Council Member	⦿	✓	—	—	—	50
Mr O Mothudi	Chair & Council Member	—	—	✓	✓	✓	100
Ms C Hess Robertson	Council Appointed Member	—	—	—	✓	⦿	33
Professor G Gray	Council Member	—	—	✓	✓	✓	100
Mr M Parker	Council Member	—	—	✓	✓	✓	100

* Special Induction Meeting

Key: ✓ Present ⦿ Apology — Not a member

FINANCIAL REPORTING OVERSIGHT AND CONTROL ENVIRONMENT

The Council, through the University Audit and Risk Committee (UARC), provides oversight of the preparation, integrity, and fair presentation of the Annual Financial Statements, as well as the overall financial reporting process managed by the University. In fulfilling its mandate, the Council is responsible for ensuring effective risk management and the ongoing implementation of robust internal control systems and processes. The University maintains comprehensive internal controls designed to mitigate identified risks, uphold the integrity of its core functions—teaching, learning, and research—and safeguard its assets.

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

Modern information technology systems are deployed across the University and are developed and implemented in accordance with defined and documented standards to ensure operational efficiency, effectiveness, reliability, and security. While no major changes were made to the University's core systems during 2024, several subsystems were introduced to strengthen cybersecurity measures and support the growing demands of digital operations.

The University maintains compliance with recognised standards for data protection and privacy, including the implementation of robust disaster recovery and data backup procedures. These measures are undertaken in line with the Promotion of Access to Information Act (PAIA), ensuring appropriate access to information in alignment with the University's obligations as a public institution.

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

The University's independent external auditors, PricewaterhouseCoopers Incorporated (PwC), assess key accounting systems and financial reporting control systems for reliance purposes. PwC has performed a combination of substantive audit testing as well as controls testing for the year 2024. Based on their assessment of identified risks and their understanding of the University's business processes and relevant control activities, PwC found the general controls to be reliable.

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



REPORT OF THE UNIVERSITY **AUDIT AND RISK COMMITTEE** continued

AREAS OF FOCUS OF THE UNIVERSITY AUDIT AND RISK COMMITTEE

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

Below are some of the 2024 key areas of focus of the UARC:

IMPROVING GOVERNANCE IN UCT SUBSIDIARIES

In 2024, a governance review of UCT's related entities commenced; with the UCT subsidiaries serving as the initial focus. Recommendations include professionalising the boards of these entities and adopting a consistent governance framework across all subsidiaries. Under the proposed governance structure, UCT would transition from shareholder representation to the appointment of full boards for its entities. The University also aims to realise returns on its historical investments in these entities.

Additional recommendations include ensuring that senior leadership hold board positions in key subsidiaries, and that regular reporting and bi-annual oversight confirmations are formalised. While some entities are already considered well-governed, others require improvement. The introduction of dividend policies and a completeness review of all affiliated entities, including entities associated with the University, is also being pursued to strengthen governance and accountability.

IMPROVING CYBER AND INFORMATION SECURITY WITHIN THE UNIVERSITY

As part of improving the Cyber and information security, management identified the need for, and the implementation of an Information Security Management System (ISMS). Budget has been assigned to the programme of work, which has been anticipated to span over a period of three years. Management is confident that findings from Internal audits performed in the prior year would be addressed collectively via the ISMS project.

The Committee continues to follow the progress of the ISMS project to ensure that all the audit recommendations will be resolved and implemented.

INTERNAL AUDIT FINDINGS AND CONTROL ENVIRONMENT

While the financial control environment has remained reliable, as confirmed by the external auditors, Internal Audit has indicated various areas where there are opportunities for improvements in the internal control environment either through an increased opportunity for management oversight or other compensating control mechanisms.

Management has developed and implemented a mechanism to track the remediation of all internal control deficiencies identified from various sources (including but not limited to Internal Audit, External Audit, Investigations, Management insights) with a view of ensuring that the internal control environment is continuously improved from the feedback. Internal Audit has rolled out an internal audit findings tracker along with Insight reports that will facilitate a consistent and structured approach to managing progress of open audit actions. This has been positively received by management and executive leadership. The Committee has supported this approach and advocate for active involvement from the executive leadership.

ANNUAL REPORT INCLUDING ANNUAL FINANCIAL STATEMENTS

The Annual Report is prepared to ensure compliance with the requirements of the Higher Education Act. Management prepares and validates the report, ensuring that it provides a balanced and reasonable view of the University, its performance for the year and outlook. Responsibility for producing the report is assigned to the Executive management and senior management of the University, with oversight of the Vice Chancellor (VC). The report is noted by the UARC to ensure management and University Finance Committee (UFC) have carried out their roles and responsibilities. Financial information includes the audited Consolidated Annual Financial Statements. The external auditors, PwC, review the information in the Annual Report to ensure that there is no material inconsistency to their knowledge and to the information contained in the audited consolidated annual financial statements. The Annual Report is approved by Council after the recommendation by management, UFC and UARC.

The committee continues to play oversight on the preparation and audit of the Consolidated Annual Financial Statements. The focus for the 2024 financial year related to the following:

STUDENT FEE DEBT

The increasing level of student fee debt remains a significant concern for the University, further compounded by the implementation of the NSFAS-imposed fee cap on student accommodation. Although a blanket removal of fee blocks was not applied in 2024, the University continued to experience an upward trend in student debt levels. Management remains actively engaged in efforts to address and reduce this debt burden. Ongoing attention is also being given to the adequacy and accuracy of the student fee debt provision to ensure appropriate financial reporting and risk mitigation.

GOING CONCERN

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



REPORT OF THE UNIVERSITY **AUDIT AND RISK COMMITTEE** continued

ANNUAL REPORT INCLUDING ANNUAL FINANCIAL STATEMENTS continued

GOING CONCERN continued

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

The UARC, upon reviewing the Consolidated Annual Financial Statements, after considering the impact of the executive orders by the President of the USA which have resulted in grants for research either being stopped or paused, as well as the medium-term five-year cash flow forecast model, found no issues suggesting that the going concern assumptions made by management were inappropriate for the ensuing 12 months.

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

AUDITOR GENERAL REQUIREMENTS

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

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

INTERNAL AUDIT AND THE INTERNAL AUDIT PLAN

Vision

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

Mission

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

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

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

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

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

The audits span across all UCT's departments, and faculties, where Internal Audit evaluates financial processes, internal controls, compliance with relevant and applicable University policies and relevant laws, rules and regulations. Assurance Review Audits provides management with an overall report rating as well as individual ratings for all findings identified. The findings identified requires management response for management action plans with specified implementation dates.

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

REPORT OF THE UNIVERSITY **AUDIT AND RISK COMMITTEE** continued

INTERNAL AUDIT AND THE INTERNAL AUDIT PLAN continued **COMMITMENT TO ADHERING TO THE GLOBAL INTERNAL AUDIT STANDARDS**

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

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

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

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

Regular audit reports are presented to the UARC for consideration. The results of the audits serve as a basis for collaboration with management to develop recommendations and suggestions aimed at improving systems, processes, and overall governance.

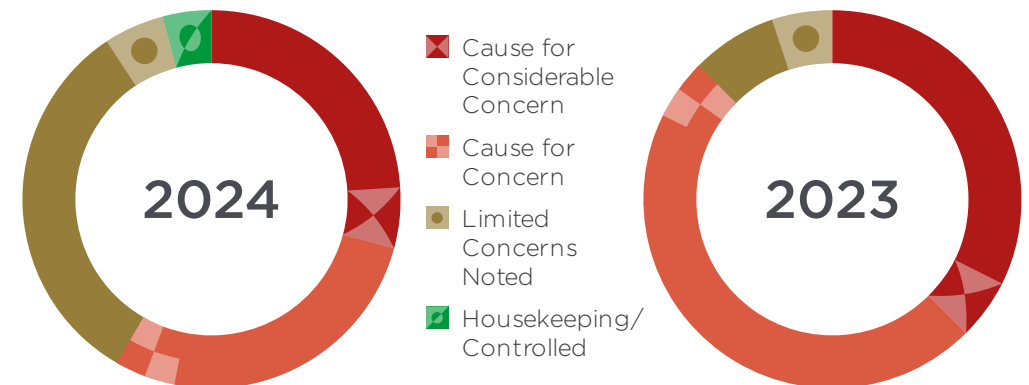


COMPARISON OF REPORT RATING FOR ASSURANCE AUDITS



Of the 9 Assurance Audits performed in 2024, 3 were rated Unsatisfactory and 4 were rated Weak. In 2023 7 Assurance audits were performed and were all rated Weak.

COMPARISON OF AUDIT FINDING RATINGS



The total number of Audit Findings was 44 (2023: 42), with 13 (2023:14) rated Cause for Considerable Concern and 13 (2023: 23) Cause for Concern.

As part of the Internal Audit Annual plan, we conducted one Agreed Upon Procedure Audit (2023: 1), at the request of external stakeholders. These reports do not require a formal report rating.

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

REPORT OF THE UNIVERSITY **AUDIT AND RISK COMMITTEE** continued

ROTATION OF THE INDEPENDENT AUDITORS

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

Under the provisions of the Public Audit Act, the appointment of auditors is to be made in consultation with the AGSA. PwC was appointed as the University's external auditors in 2021, following a competitive tender process. The UARC was satisfied with the performance of PwC and recommended their re-appointment for the 2025 audit. This recommendation was endorsed by Council and ratified by the AGSA. UARC meetings are attended by the AGSA representative and where appropriate, guidance is provided on aspects relating to the public audit prescripts.

INDEPENDENT EXTERNAL AND INTERNAL AUDITS

The UARC reviewed the audit approach and key risk areas of the external audit. During the year under review, the UARC has interacted with Internal Audit in respect of the internal audit plan and continues to review progress against the plan and the findings from the respective audits. UARC is satisfied that the auditors have communicated according to their mandate in 2024.

RISK MANAGEMENT EXECUTIVE COMMITTEE

The University of Cape Town (UCT) is committed to establishing and maintaining a systematic approach to the initiative-taking identification, assessment, and management of risks, while simultaneously capitalising on the opportunities that some risks may present. The University comprises a Risk Management Executive Committee (RMEC) chaired by the Vice-Chancellor. The RMEC membership includes the Chief Operating Officer, the Registrar, the Chief Financial Officer (CFO), all Deputy Vice-Chancellors, two Dean representatives, the Executive Director, and the Director of Institutional Planning. Additionally, the RMEC has senior managers and Head of Internal Audit, who serve as assessor members. Senior managers responsible for various portfolios are attendees of the RMEC and provide reports covering key operational areas and activities.

STRATEGIC RISK REGISTER AND OPERATIONAL RISK REGISTERS

The University maintains an important risk register outlining potential threats that could affect the University's strategic objectives. The process involves identification of risks, assessing their likelihood, impact, and mitigation strategies. It enables monitoring and controlling of risks, as well as identifying senior management responsible for managing these risks. Overall, the Vice-Chancellor takes, with the support of the Risk Office, full ownership of the University strategic risk register. The register is approved by the Council after its review by the Risk Management Executive Committee (RMEC) and the University Audit and Risk Committee (UARC). The strategic risk register is reviewed mid-year and key risks are discussed at RMEC and the UARC meetings.

In addition to the strategic risk register, there are faculty and departmental risk registers which are presented to RMEC for approval. Once approved by RMEC, all the operational risk registers are presented to the UARC for discussion. The Deans take overall responsibility for their faculty risk registers and Executive Directors (or senior manager) for their departments.

RISK MANAGEMENT AREAS OF FOCUS

The University's integrated and structured risk management approach enables effective and efficient management at a strategic and operational levels. Risk management is embedded within the University's operations across its faculties and departments, which engage on a regular basis, with a focus on matters that may impede the attainment of stated objectives.

THREAT TO THE FINANCIAL SUSTAINABILITY OF THE UNIVERSITY

The achievement of our strategic goal of financial sustainability relies on the recurrent operations of the University of Cape Town (UCT) and the availability of free-cash reserves. The attainment of our overarching objective of financial sustainability relies upon the consistent operations of the University of Cape Town (UCT) and the provision of ample free-cash reserves. The University grappled with financial challenges including reduced government funding, increasing student debt and the ever-changing research funding landscape.

As part of the University's preliminary financial sustainability plan, the University has identified specific projects that aim to enhance its revenue generation while focusing on the core areas of teaching, learning, and research. Consequently, a comprehensive review of the current investments in the third income stream is one of the focus areas to ensure strategic alignment with the University's goals and long-term financial viability.

STUDENT FINANCIAL ASSISTANCE AND IMPACT OF NSFAS POLICY CHANGES

The University has consistently prioritised the provision of student funding as one of its transformative objectives. Over the years, substantial funding has been allocated to support academically and financially deserving undergraduate and postgraduate students. In recent years, the University has encountered a reduction in external funding, particularly from the National Student Financial Aid Scheme (NSFAS) and the National Research Fund (NRF). Additionally, some donors, including corporate entities, have either decreased or ceased providing student financial aid due to the challenging economic circumstances and shifts in the geopolitical landscape. The impact of the NSFAS funding cuts has been effectively mitigated by the University. However, the shortfall in student accommodation charges, introduced in 2023, presents an ongoing and escalating risk to the University. The NSFAS accommodation shortfall implies that financially vulnerable students will be burdened with a shortfall debt into the subsequent academic year. If they lack the means to repay the debt, they may be at risk of financial exclusion. The ongoing efforts to raise funds and cover this shortfall will not be sufficient to fully address the risk and management is considering more options to adequately manage this risk.



REPORT OF THE UNIVERSITY **AUDIT AND RISK COMMITTEE** continued

RISK MANAGEMENT AREAS OF FOCUS continued

SENIOR MANAGEMENT APPOINTMENTS AND SUCCESSION PLANNING

The University had several vacancies at senior leadership positions, and recruitment processes were underway at various stages with key appointments made in some areas. Although no formal succession planning is in place, the University remains an attractive employer of choice for many staff (academic and professional) including senior management. Efforts are ongoing to ensure that all key vacant posts are filled. Several senior staff have been appointed to act in vacant posts which allows the University to fulfil all its responsibilities.

CYBER-CRIME AND INFORMATION SECURITY BREACHES

Cyber-crime and information security breaches affect all organisations. The University is developing and implementing a cyber-security strategy as well as cyber security policies and governance procedures to ensure oversight of policy implementation and provide strategic direction and to ensure suitable controls are implemented across the University. In addition to internal mitigation measures, external professional advice is sought where necessary with IT vulnerability scans undertaken. Central to managing the threat posed by cyber and security breaches, was the establishment of a Computer Security Incident Response Team (CSIRT) which provides general guidance to UCT staff who manage ICT resources to enable a quick and efficient recovery from security incidents.

HIGH LEVEL OF CRIME (ON AND OFF CAMPUS)

The University remains a microcosm of the overall Western Cape (WC) and South African crime statistics. Crime in South Africa, particularly in the Western Cape, remains a significant concern, with high rates of serious crime. Most of the crime is related to minor incidents such as motor theft, robberies, and theft. The incidence of crime has an impact on staff, students, and the general perception of the University. In addition to awareness campaigns, there are several ongoing initiatives on, and off campus aimed at increasing safety in the vicinity of the campus. The University works closely with law enforcement on all matters of a criminal nature and has a good working relationship with the local South African Police Services (SAPS). In addition, the Groote Schuur Community Improvement District (GSCID) also has an ongoing programme in support of the local community. There are University patrol vehicles at the University that operate 24-hours a day and GSCID vehicles that operate on the periphery of campus. Furthermore, visible kiosks are available for students, staff, and visitors to report crime, to seek assistance when feeling unsafe or to find support if needed. The usage of technology such as CCTV and LPR cameras in certain risk areas is being rolled out.

INSURANCE RISK

The University procures insurance to mitigate potential losses from accidents, property damage, and other unforeseen circumstances. The University is a member of TERISA, a national consortium of Higher Education Institutions which offers both cost-effective insurance and service expertise. Universities were cautioned that insurance premiums would increase significantly in 2024 given the elevated risk profile of the higher education sector, and in particular, cover relating to assets, due to the potential for property damage during student protests. UCT's asset cover was to increase by 30%. The RMEC was satisfied that all reasonable steps were being undertaken to ensure that the University had appropriate insurance cover. The SASRIA and related extensions

have been increased to ensure adequate cover for protests and riots. In addition, SASRIA has provided cover for security costs to protect assets in cases of imminent threat to the destruction of property. This type of cover was arranged following violent and destructive protests at higher education institutions over the last three years. The importance of increasing the University community's awareness of risk, to routinely take every precaution to protect personal and institutional belongings is emphasised on a regular basis.

BUSINESS CONTINUITY RISKS

The University has had first-hand experience over the past few years in responding to crises and disruptive events that threatened the ability to successfully continue with teaching, learning and research activities. The University has commenced on its Business Continuity Management Plan (BCMP) journey and has already completed a Strategic Business Impact Analysis (BIA) to determine an overview of critical services and underlying dependencies, define the potential damages to the organisation and the timespan to full damage, identification of primary objectives and risk as well as potential disaster scenarios and determination of the roles and responsibilities. Several departments and faculties managed to complete their business continuity plans which were approved by RMEC.

FRAUD AND WHISTLEBLOWING

The University is committed to a systematic and effective approach to detecting, deterring, preventing and combatting fraud and corruption. This commitment plays a key role in maintaining the financial viability and sustainability of the University and its good reputation. Accordingly, UCT supports and fosters a culture of zero tolerance towards fraud and corruption and takes appropriate action in response to allegations and instances thereof. Several cases of fraud were identified with presentations made to management to be more vigilant and enforce internal controls to safeguard the University and its resources. Whistleblowing cases are reported annually with limited detail to protect the identity of individuals and speculation about the cases.

OTHER RISKS

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



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



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



Ms Bahijah Hashim (CA)SA
Director: Internal Audit

28 June 2025



REPORT OF THE UNIVERSITY **FINANCE** **COMMITTEE**



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REPORT OF THE UNIVERSITY **FINANCE COMMITTEE**

UNIVERSITY FINANCE COMMITTEE

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

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

Throughout the year 2024, the committee convened on four occasions.

Table 20: 2024 Attendance at University Finance Committee meetings:

	15 Mar	05 Jun	23 Aug	14 Oct (Special)	15 Nov	% Attendance
Mr R Isaacs	✓	✓	✓	✓	✓	100%
Prof D Reddy	✓	✓	–	–	–	100%
Prof M Moshabela	–	–	✓	✓	✓	100%
Mr M Parker	✓	✓	✓	✓	✓	100%
Mr V Motholo	✓	✓	✓	✓	✓	100%
Ms D Yach	✓	✓	–	–	–	100%
Ms I Pule	✓	✓	–	–	–	100%
Ms C Hess Robertson	–	–	✓	✓	✓	100%
E/Prof B Kantor	–	–	✓	○	✓	67%
Mr G Lundy	✓	✓	✓	✓	✓	100%
Prof T Moultrie	✓	✓	✓	○	○	60%
A/Prof T Gebbie	✓	✓	–	–	–	100%
Prof E Muchapondwa	✓	○	–	–	–	50%
Prof J Raju	○	✓	–	–	–	50%
Prof A Buffler	–	–	✓	○	✓	67%
Prof R Daniels	–	–	✓	✓	✓	100%
A/Prof D Taylor	–	–	✓	✓	✓	100%
Mr A Mahlangu	✓	✓	✓	✗	–	75%

	15 Mar	05 Jun	23 Aug	14 Oct (Special)	15 Nov	% Attendance
Mr U Mdakane	✗	✓	✓	✗	–	50%
Ms T Lukhele (SRC President) + 4 others – formal nominations for new term only received in April 2025	–	–	–	–	✓	100%

Key: ✓ Present ○ Apology ✗ Absent – Not a member

FINANCIAL MANAGEMENT

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

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

FINANCIAL POLICY

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

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

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

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

REPORT OF THE UNIVERSITY **FINANCE COMMITTEE** continued

FINANCIAL MANAGEMENT continued

FINANCIAL SUSTAINABILITY

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

As part of the University's draft financial sustainability plan, UCT has identified specific projects that aim to enhance its revenue generation while focusing on the core areas of teaching, learning, and research. Consequently, a comprehensive review of our current investments in the third income stream is underway to ensure strategic alignment with the University's goals and long-term financial viability. In addition, given the operating deficits incurred in 2023 and 2024 and smaller budgeted 2025 deficit for GOB, in May 2024 we constituted an internal project team and steering committee to formulate a multi-year approach to address this significant issue. Whilst the progress in reducing the deficit is encouraging (from R360m in 2023 to a budgeted R20m in 2025), we nevertheless appointed an external service provider to assist UCT Management with various interventions, including diagnostics in respect of people costs as well as other spend categories, that will enable appropriate decision-making in respect of our operating model that will support and enable financial sustainability.

Despite our efforts, there are certain concerns that warrant our attention. Key among these are: the mounting pressure on the state to fulfil its funding commitments (which is severely constrained by low economic growth), including the ability to fund NSFAS; the potential impact of the mooted DHET fee regulatory framework for public higher education institutions, and managing costs (particularly our wage and salary commitments which remain our largest cost driver) within the context of these two main revenue sources being under pressure. These events and uncertainties serve as a constant reminder against complacency and emphasise the importance of maintaining our free cash reserve target, along with staying informed about economic outlooks and challenges faced by the state.

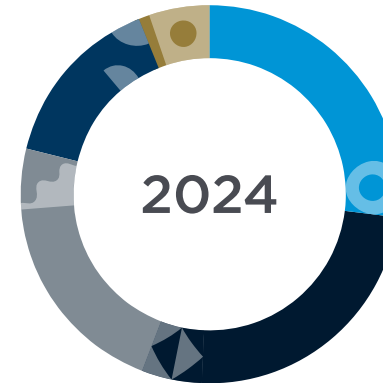
In conclusion, UCT recognises the significance of effective revenue, cost and cash flow management in maintaining financial stability and pursuing sustainable growth. By implementing prudent financial strategies, monitoring economic conditions, and adapting to evolving circumstances, we aim to navigate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



2024 CONSOLIDATED FINANCIAL HIGHLIGHTS

FINANCIAL PERFORMANCE

Total recurrent revenue 2024 - R'000



- Subsidies and grants
R2 166 665 / 27%
- Tuition and other fee revenue
R2 305 559 / 29%
- Income from contracts
R1 819 443 / 23%
- Sale of goods
R1 211 782 / 15%
- Donations and gifts
R441 676 / 6%

In 2024, the total revenue of the University increased slightly by 0.6% compared to 2023, reaching R8.68 billion. This growth was primarily driven by income from contracts (e.g. Research contracts), and tuition and other fee income. In 2023, the total revenue stood at R8.63 billion, reflecting a growth rate of 11% on 2022.

Net fee income of R2.3 billion, which excludes bursaries, scholarships, and financial aid adjustments, increased by 13.5% over that for 2023 which was significantly better than the growth rate of 1.3% for 2023.

Income from state appropriations experienced a slight decline in 2024, of 0.1%. The University received R2.166 billion from state appropriations in 2024, while the corresponding figure for 2023 was R2.167 billion.

The income from contracts as well as tuition and other fee revenues made significant contributions to the overall revenue increase with a growth rate of 2.6% and 13.5% respectively in 2024. The income from contracts amounted to R1.82 billion while income from tuition and other fee revenue amounted to R2.31 billion in 2024. This was up from R1.77 billion and R2.03 billion respectively in 2023.

On the expenditure side, which includes personnel costs and other operating expenditure, there was a 3% increase in 2024. The total expenditure for the year amounted to R8.53 billion, compared to R8.28 billion in 2023, reflecting a growth rate of 12.3% in 2023.

Excluding investment income and fair value movements on financial instruments, a deficit of R590.04 million was incurred in 2024, compared to a deficit of R342.25 million in 2023. This is attributable to the revenue line growing at a lower rate compared to costs and attributable significantly to lower enrolments and salary costs increases at rate higher than tuition fees.

The consolidated operating surplus after investment income showed a decrease of 18.1% in 2024 versus the substantial increase of 1 186% in 2023. This surplus for 2024 amounted to R851.98 million, down from R1.04 billion in 2023.

REPORT OF THE UNIVERSITY **FINANCE COMMITTEE** continued

2024 CONSOLIDATED FINANCIAL HIGHLIGHTS continued

FINANCIAL PERFORMANCE continued

In 2024 the University utilised cash of R243.5 million, while in 2023 the University generated R217.9 million.

Total assets increased by 5.0% in 2024 representing a total of R17.62 billion in 2024, up from R16.79 billion in 2023.

Out of the operating surplus of R851.98 million, R1.28 billion is attributable to restricted funds that are not under the discretion of the Council, and R10.49 million from the Student and Staff Housing operations. The net surplus of R851.98 million includes deficit of R434.66 million from Council-controlled activities.

STATEMENT OF FINANCIAL POSITION

Consolidated Financial Position 2024 – R'000



- Non-current assets
R15 202 599 / 43%
- Current assets
R2 421 245 / 7%
- Accumulated Funds
R14 360 298 / 41%
- Non-current liabilities
R1 860 138 / 5%
- Current liabilities
R1 403 408 / 4%

In the current fiscal year, the total assets of the University increased by 5.0%. This increase can be attributed to several significant factors within our financial landscape.

Notably, Property, Plant, and Equipment (PPE) increased by 2.6% in the current year, compared to 3.7% in the previous year. This growth is primarily driven by the acquisition of highly specialised laboratory equipment, particularly within the Faculties of Health Sciences and Engineering, as well as continued investment in planned and backlog maintenance projects. Investments grew by 8.0%, slightly below the prior year's growth of 9.3%, reflecting improved market performance despite ongoing concerns about the domestic economic outlook and the effects of elevated interest rates.

It is essential to highlight that a substantial portion of our non-current assets, within the PPE portfolio, are designated, and the Council has no discretionary control over them. These assets, which amount to R4.5 billion, constitute 26% of our total assets for the current fiscal year, slightly higher than the R4.4 billion reported in 2023. Moreover, it is crucial to note that the approval of the Minister of Higher Education and Training is required for the alienation, including the sale of any immovable properties.

Approximately 60% of the University's investment portfolio is held by the UCT Foundation and is allocated to designated activities in line with donor intent. The remaining portion is managed within the University's operational accounts, of which approximately 80% is earmarked for specifically funded and restricted activities.

UCT's student debt levels continue to pose a significant financial challenge; given the recurrent increase in student fee receivables. The gross student fee outstanding for the current year was R836 million, which represents an increase of 41% when compared to the prior year (R594 million), while the provision for credit losses regarding student debt has increased by 44.5% in the current year, from R241 million in 2023 to R349 million currently. However, the University is proactively managing this risk through a multifaceted strategy. This includes the implementation of rigorous debt recovery measures, flexible internal repayment arrangements, and the establishment of innovative financial partnerships such as with Fundi. In addition, UCT engages regularly with key stakeholders, including NSFAS and the Special Investigating Unit (SIU), and supports student-centred initiatives such as crowdfunding campaigns and payroll deduction schemes. While systemic challenges within the national higher education funding landscape remain, the University remains committed to developing responsible, equitable, and sustainable solutions that uphold institutional financial stability while supporting student success.

The University maintains a sound financial position, reflected in a healthy gearing ratio. As of 2024, total liabilities stood at R3.26 billion against total assets of R17.62 billion, resulting in a debt ratio of 0.19. Notably, the University did not incur any additional long-term borrowings during the year. Instead, it continued to service the existing R110 million loan facility from the Development Bank of Southern Africa (DBSA), which was secured to fund the construction of the conference centre at the Graduate School of Business. The loan is being repaid over a 10-year term, with the University currently in the seventh year of repayment.

In conclusion, the growth in total assets, along with shifts in key asset categories, reflects the evolving financial landscape of the University. We remain committed to the prudent management of our financial resources, with continued focus on addressing challenges related to student fee collections and ensuring the long-term sustainability and strategic growth of the institution.

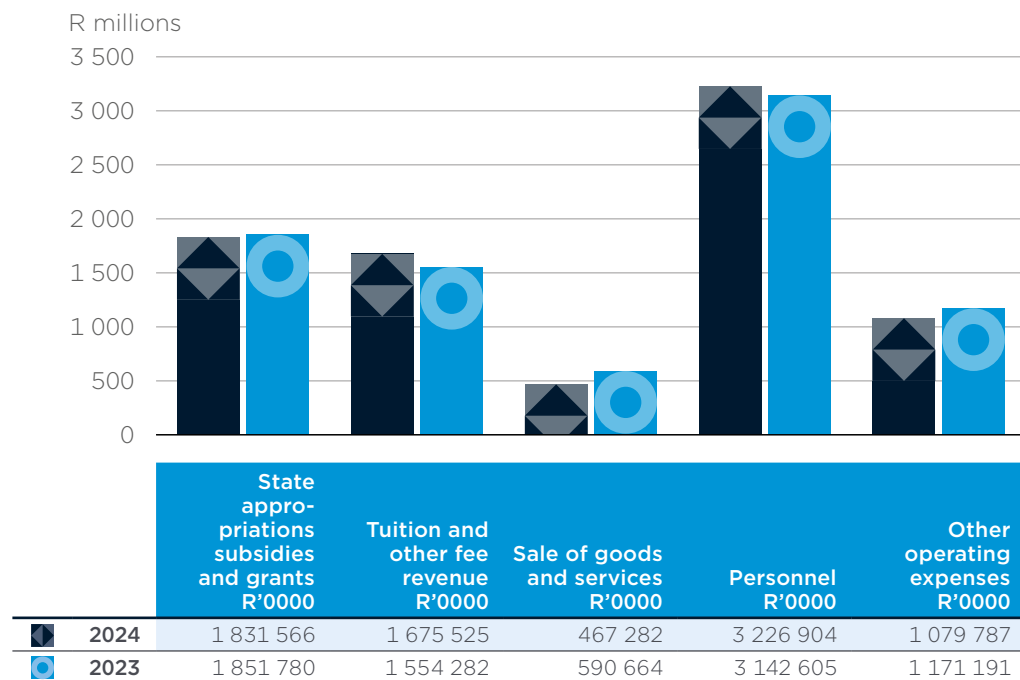


REPORT OF THE UNIVERSITY **FINANCE COMMITTEE** continued

STATEMENT OF COMPREHENSIVE INCOME

COUNCIL CONTROLLED UNRESTRICTED OPERATIONS

Council Controlled 2024 cf. 2023



Council Controlled Unrestricted operations, which encompass the primary recurring operating activities that provide and support teaching and learning, exhibited notable changes in key financial data. In relation to these operations, the total operating income decreased by R33.05 million (0.8%) to R3.98 billion. This decrease was primarily driven by a fall in the sale of goods and services and income derived from donations and gifts, amounting to R123.38 million (20.9%) and R10.69 million (62.7%) respectively. Positively, tuition and other fee income realised an increase of R121.24 million (7.8%).

The declines in state appropriations and sale of goods and services can be attributed primarily to the claw back from the DHET and reduced net revenues from Commercial Development activities respectively.

Tuition fees are offset against UCT council and restricted funding financial aid and bursaries, as mandated by the International Financial Reporting Standards (IFRS). Before accounting for the IFRS adjustments, tuition income amounts to R1.81 billion, indicating an increase of R111.74 million. At the net level, considering the required adjustments, tuition revenues increased by

R121.24 million or 7.8%. This growth in tuition fees can primarily be attributed to the fee increase applied as well as higher enrolments, particularly in the Science and Graduate School of Business (GSB) faculty.

Expenditure reflected a slight decrease of R22.04 million (0.5%) to reach R4.61 billion, primarily driven by a fall in other operating expenses, as well as financial aid and scholarships awarded amounting to R91.40 million (7.8%) and R42.14 million (50.3%) respectively. The main driver behind the increase in personnel costs is the cost-of-living increment agreed with unions as well as an overspend in respect of staff performance awards.

Financial support provided to our undergraduate students amounted to a total of R1.75 billion, down from R1.80 billion in 2023. This support is derived from various sources, including corporate and external bursaries amounting to R383 million, grants provided by NSFAS totalling R711 million, and an additional R564 million from council-controlled funds provided by UCT (of which R43.7 million has been offset against tuition fee income). Furthermore, income from endowments and other funds available to the University for financial aid purposes contributed R93.18 million.

Upon excluding the effects of the IFRS15 offsetting of Designated bursaries against Council-controlled tuition income, as well as net finance income, the council-controlled recurrent operations resulted in a deficit of R540 million, following the deficit of R538 million in 2023. At a high level, this slight increase in the deficit can be largely attributed to the rise in personnel costs and the decrease in state appropriations income resulting from the sector wide claw back by the DHET. This increase in deficit highlights the urgent need for a comprehensive financial sustainability plan.

The University had Capital expenditure (Capex) of R287 million in the current year, in comparison to R386 million in 2023. The decrease in Capex spend was largely attributable to a decreased spend relating to Strategic and once off allocations, as well as ICTS related projects.

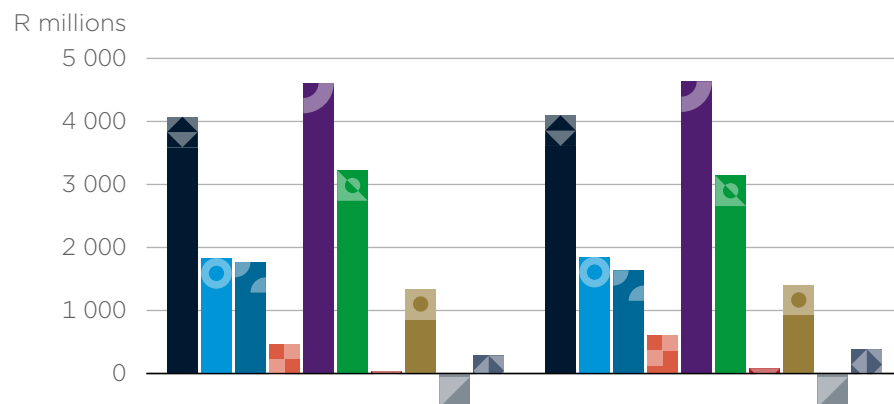
The actual deficit attributable to council-controlled unrestricted funds, as reflected in the Consolidated Income Statement on page 64, amounts to R434.66 million, compared to a deficit of R349.29 million in 2023. In both years, investment income played a major role, contributing R237 million (R268 million in 2023) to the difference between the mentioned deficits in both years. From a Management Accounting perspective, the GOB council-controlled activities reflect a smaller deficit of R192.6 million. The primary reasons for the variance between the financial accounting consolidated Income statement for council-controlled activities and management accounting general operating budget are IFRS year-end adjustments and the exclusion of the financing component, namely interest and dividends, in the general operating budget figures. The financing component is instead applied towards capital expenditure and strategic projects.



REPORT OF THE UNIVERSITY **FINANCE COMMITTEE** continued

STATEMENT OF COMPREHENSIVE INCOME continued

Table 21: Analysis of Council-controlled recurrent operations



	2024 R'000	% change from PY	2023 R'000	% change from PY
Income	4 075	(0.6)	4 098	8.8
State subsidies	1 832		1 852	
Tuition fees	1 770		1 639	
Other income	473		607	
Expenditure	4 615	(0.5)	4 637	12.8
Personnel costs	3 227		3 143	
Bursaries	42		84	
Other operating expenses	1 346		1 410	
Operating surplus/(deficit)	(540)	0.2	(539)	55.8
Capital expenditure	287		386	

RECONCILIATION TO OPERATING SURPLUS/(DEFICIT)

as per the Annual Financial Statements

	2024 R'000	2023 R'000
Operating Surplus/(Deficit) as per Table 20	(540)	(538)
IFRS15 Specifically-Funded Activities adjustment**	(94)	(85)
Deficit excluding financing component and other income	(634)	(623)
Interest	237	268
Net finance costs	(22)	(25)
Other Income	9	4
Transfers between funds	(25)	27
Deficit for the year as per AFS	(435)	(349)

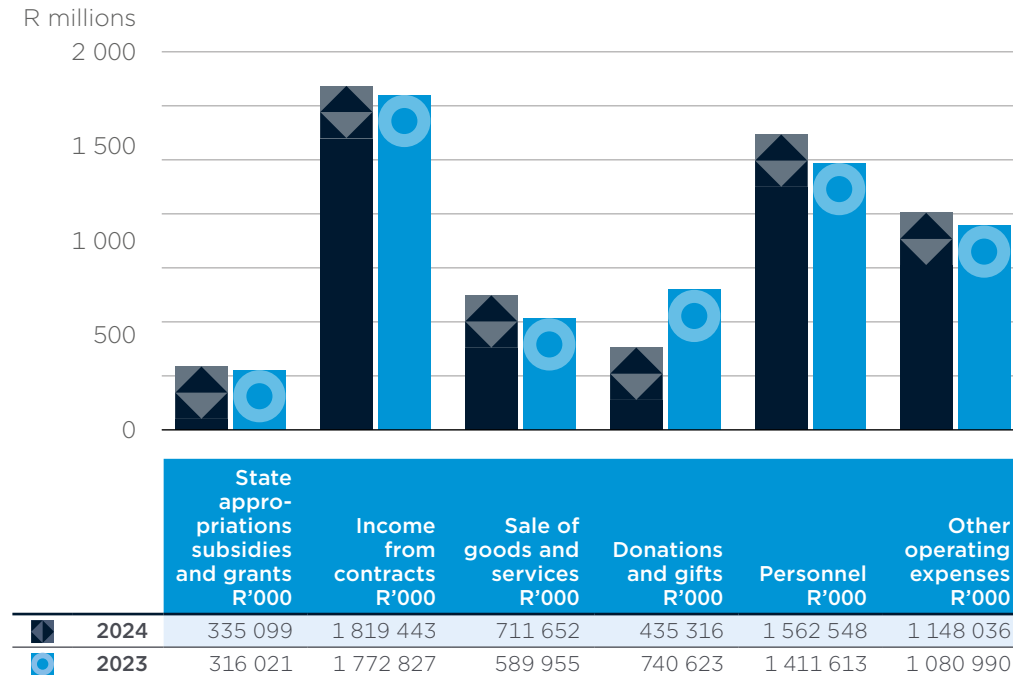
** IFRS15: Revenue from Contracts with Customers requires bursaries that offset tuition costs be offset against tuition income, and not be disclosed as expenses. However, as all tuition income is Council-controlled, the portion of Specifically Funded Activities' bursaries that are offset against tuition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



REPORT OF THE UNIVERSITY **FINANCE COMMITTEE** continued

STATEMENT OF COMPREHENSIVE INCOME continued SPECIFICALLY FUNDED ACTIVITIES RESTRICTED OPERATIONS

Specifically funded 2024 cf. 2023



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

In the fiscal year, the University witnessed a slight dip in revenues, with a decrease of 0.88% amounting to R33.69 million. Income from donations and gifts took a material knock, realising a decrease of 41.22% amounting to R305.31 million. This indicates the challenges being experienced in the fundraising space. Government-related grants experienced an increase of 6.04%, increasing from R316.02 million to R335.01 million, while income from contracts exhibited growth of 2.63%, rising from R1.77 billion to R1.82 billion. This increase in research activity, which has persisted over

an extended period, continues to place substantial demands on core administrative departments. Unfortunately, these departments have received limited resource allocations to effectively manage this growth, leading to an increased risk of reputational damage.

As a research-intensive university, securing funding for research activities remains a strategic imperative. Therefore, it is crucial to establish robust systems and employ capable personnel to facilitate research and attract sustainable research funding. The University's research-related activities have witnessed consistent growth over the years, surpassing the R1 billion milestone in 2014. The current research-related revenue, comprising grants and contract income, stands at R2.15 billion (2023: R2.09 billion), representing 57% of the total specifically funded activities valued at R3.79 billion. Additionally, research-related revenue accounts for at least 25% of the University's total income.



REPORT OF THE UNIVERSITY **FINANCE COMMITTEE** continued

STATEMENT OF COMPREHENSIVE INCOME continued

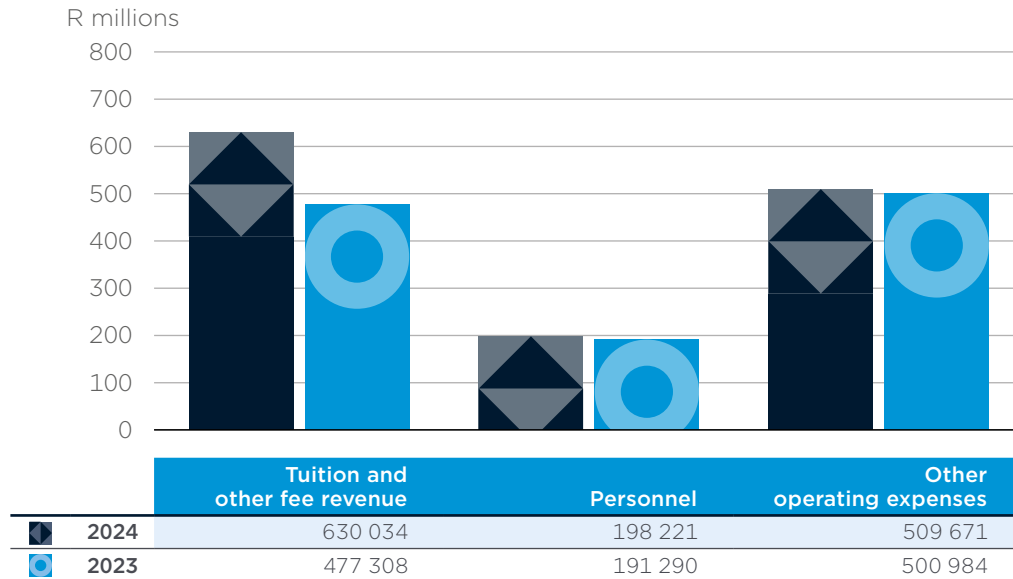
SPECIFICALLY FUNDED ACTIVITIES RESTRICTED OPERATIONS continued

Analysing the broad categories of funding, contract income amounts to R1.82 billion (2023: R1.77 billion), constituting 48% of the research revenue. Government grants contribute R335.10 million (2023: R316.02 million), accounting for 9% of the research revenue. Research-related donations total R435.32 million, indicating a significant decrease of R305.31 million compared to 2023.

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

STUDENT HOUSING RESTRICTED OPERATIONS

Student Housing 2024 cf. 2023



The Student Housing unit is committed to meeting its financial obligations, ensuring long-term maintenance, and expanding student housing availability to enhance student access. Notably, total revenues experienced a 29.2% increase, reaching R677.28 million. The unit, for the first time in five years, reported a surplus of R10.49 million which represents a great improvement when compared to the deficit of R49.65 million recorded in 2023. The turnaround from deficit to surplus was primarily due to improved residence fee income, an underspending in staffing costs as well as a timing related reversal in respect of Rochester lease costs expensed in 2023.

CASH FLOW PLANNING AND THE STATEMENT OF CASH FLOWS

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

In terms of the Statement of Cash Flows, the operations resulted in a net outflow of R243.53 million (compared to a net inflow of R217.94 million in 2023) for the year, representing a decrease of 212% when compared to the previous year. Several factors contributed to this variance, including a substantial increase in personnel costs amounting to R242 million, attributed to annual increments and filling of vacant positions. Additionally, there was a decrease in donations and gifts received by R316 million, primarily due to the challenging fundraising landscape. The increase in working capital due to the increase in student debt of R135 million also contributed to this negative variance.

The total cash holdings as at 31 December 2024 amounted to R2.2 billion, reflecting a slight decrease from R2.4 billion held at 31 December 2023.

RESEARCH INVESTMENTS

Innovation Services, within the Research Contracts & Innovation Department, seeks to protect the intellectual property (IP) emanating from UCT's research outputs, with a view to maturing it and ultimately commercialising it, which in the UCT context encompasses societal benefit rather than a purely commercial return. Commercialisation is achieved through licensing of the intellectual property to existing industry partners, but increasingly through licensing to University spin-off companies.

A record, six new spin-off companies were recognised during 2024 bringing the total number of UCT spin-offs to 40 since 2004. There are a number "bubbling under" which bodes well for 2025 stats too. Spin-off companies MariHealth Solutions and Impulse Biomedical won maiden Cape Higher Education Consortium (CHEC) - Cape Chamber of Commerce Industry Innovation Awards - a great achievement. Kudos to CHEC and the Chamber of Commerce for recognising the importance of acknowledging how university spin-offs are developing the Western Cape economy (and South Africa).



REPORT OF THE UNIVERSITY **FINANCE COMMITTEE** continued

RESEARCH INVESTMENTS continued

The Department played a leading role in the organisation of the Cape Town Technology Transfer Week (23-25 October 2024) through SARIMA. The event hosted at the GSB Conference Centre followed on from the AUTM-WIPO Summit that was held in Africa for the first time, bringing 40 leaders in technology transfer from across the globe together to discuss key issues impacting the profession. The event was well attended and enabled South Africans to engage with the visitors, with vibrant discussions in panel sessions in which UCT was well represented.

Two new strategic relationships were forged during 2024 – one with the Western Cape government Department of Economic Development and Tourism (DEDAT) and the other with SKEG, a prototype developer and manufacturer that is offered a new engagement model to the University. Our relationship with the British Council continued, with the successful execution and completion of a project directed at innovation in Arts, Humanities and Social Sciences, “SHAPE” (Social Science, Humanities and Arts for People and the Economy). This is an important new focus in knowledge transfer that is being adopted internationally, led by practitioners in the UK.

UCT has been a Special Partner of the UTF (Fund I) which closed for new investment during 2024 and earmarked remaining funds for next round investment in existing investees. As a Special Partner, UCT was required to invest alongside the UTF in a ratio of 2:5. The Pre-Seed and Seed allocations that had been ringfenced for UCT expired on 31 January 2024, so particular attention was paid to fully utilising these resources before the deadline.

R8.1m was invested by the UCT Evergreen Fund in investments in UCT spin-off companies either as interest-bearing loans or for equity was leveraged by a further investment of R9.75m by the University Technology Fund. An additional R1.6m was invested from the Evergreen Seed Fund in two transactions, one for equity and the other as a convertible loan (secured against sale of products).

UCT is participating in the second UTF fund “UTF II” which achieved its first close in December 2024. This fund has a different model in that the University participates directly in the fund as a Limited Partner (LP). The UCT IP Advisory Committee supported investment in UTF II as in addition to the access to the early-stage venture capital, seed funding will also be available which is very beneficial to UCT spin-off companies. Another new aspect of UTF II is that UCT alumni will be able to access funding for their ‘external’ ventures (the first fund could only invest in companies commercialising IP created through UCT research). UTF II in collaboration with climate VC Holocene held their first investment roadshow at UCT.

The value of equity held by UCT in spin-off companies is estimated at R194m. One company’s valuation decreased in a funding round and the same has occurred (investment closing Q1 2025) for another. This is in line with significant devaluation of companies by venture capital investors globally.

Our annual publication Innovation at UCT 2024 has the theme “always something new out of Africa”. From keloid treatments, e-scooter charging stations, combination therapies for cancer treatment to a ground breaking DNA animal vaccine platform and other inventions in the sustainable agriculture space, the publication certainly highlighted UCT’s contribution to innovation that is not only transforming lives but also positioning Africa as a significant player in the global economy.

FUTURE CHALLENGES – 2025 AND BEYOND

Looking ahead to 2025 and beyond, several challenges continue to loom on the horizon. The economic outlook remains challenging, aligning with previous assessments. Notably, the anticipated changes in the state subsidy and tuition fee model may significantly impact UCT’s financial results and position. However, the specific details and implications of these changes are yet to be published by the Department of Higher Education and Training (DHET).

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

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

KEY RISKS AND CONTEXTS

a) State Subsidies

The state has been under severe pressure to meet its subsidy obligations and undertakings to the sector as has been referred to in previous sections above. This has seriously impacted the growth trajectory for state funding in this model. In addition, with funding shortfalls expected at NSFAS, with annual increases that clearly do not account for the volume growth in students qualifying for funding, the DHET is likely to divert unspent funds to support NSFAS or we will see yet again NSFAS responding through changes in funding policies (see further note below on NSFAS).

b) Student Fees

The DHET Fee Regulation Task Team (now dissolved and to be replaced by a new one) has been in existence for 7 years. Its work was severely disrupted by the COVID-19 pandemic as the DHET, and higher education institutions needed to focus on managing core functions under lockdown and pandemic restrictions. The task team reconvened in September 2021, given the DHET wanted to implement the framework for 2022. Following debate, it was accepted that this was not going to be possible and the DHET is now probably aiming for a 2026 implementation date. This will deal only with tuition fees, with residence fees to follow in due course. It is hard to comment on the timelines for implementation, but what is evident is that the framework will further limit our ability to increase fees.

REPORT OF THE UNIVERSITY **FINANCE COMMITTEE** continued

FUTURE CHALLENGES – 2025 AND BEYOND continued

KEY RISKS AND CONTEXTS continued

c) NSFAS

While fee free higher education via NSFAS has meant the state covers the fees of more students who attend UCT, it has made us more reliant on the state in respect of our two primary income sources – state subsidy, and tuition and residence fees. With R1.88bn in subsidy expected in 2025, and roughly 50% of fees expected to be settled by NSFAS, a sizeable proportion of our recurrent revenue is aligned to the MTEF fortunes of the state.

d) Student Enrolment and Retention

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

e) Credit Load/Academic Workload

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

f) Staffing

The DHET and various other national higher education regulatory bodies have various staffing percentage benchmarks they refer to as being appropriate. Most are expressed as a percentage of total costs. In respect of our teaching and related budget for 2025, our total staffing and related costs are at 69.4% of total spend (and 70.4% of recurrent income). Benchmarks range between 55% to as high as 70%, with local institutions primarily in the 55% to 60% band. While we have operated at a high percentage for several years, unless we are able to improve our revenue outlook and delivery, we have little choice but to look at our operating costs in general and staffing costs in particular. Given the quantum and relative percentage spent on our staffing bill, it will be almost impossible to remain sustainable without reviewing human resource planning, staffing models or pay increases consistently at rates below inflation. This is a key project in the FSP.

g) Impact of USA Sanctions on Research Funding

UCT currently holds a portfolio of 178 US federal grants, including both direct awards and sub-awards from collaborating US institutions. These grants historically contribute R1.1 billion annually to the University's research enterprise. Following the 7 February 2025 Executive Order suspending new US federal funding to South Africa:

- » 22 NIH-funded sub-award projects (R172 million) have received formal stop-work orders
- » 93 additional multi-year projects (R265 million) have not yet received renewal notices
- » Total 12-month risk exposure: R437 million
- » Total three-year risk exposure (2025–2027): R1.67 billion

Beyond direct project funding, the consequences include:

- » The potential loss of over 500 research staff positions, 100 postgraduate student bursaries, and 28 postdoctoral fellowships
- » Erosion of institutional research capacity and institutional memory in critical health areas like HIV vaccine research and pandemic response
- » A decline in indirect cost recoveries and state research subsidies, which support UCT's financial sustainability more broadly

UCT has implemented a multi-layered and proactive response to these developments, the strategic response measures include:

- » Comprehensive Impact Assessment: Led by the Vice-Chancellor's Office, with granular modelling of affected, paused, and at-risk projects
- » Dedicated Task Team: Established in February 2025, includes PIs, HR, finance, and faculty leadership to implement tailored interventions
- » National Treasury Proposal: In collaboration with USAf and peer institutions, UCT submitted a formal request for R1.67 billion in bridging finance to preserve national research infrastructure
- » Funding Diversification: Aggressive engagement with EU funders, philanthropic foundations, and bilateral agencies to reduce dependence on US funding. Particular focus is being given to high-impact fields affected by the funding freeze
- » Internal Support Measures:
 - › Expedited redeployment of affected staff
 - › Consultation with unions and transparent staff engagement
 - › Central support options for soft-funded researchers
 - › Access to EAP counselling and wellness services

Principal Investigator-Led Actions

Many PIs have successfully reallocated affected staff and students to alternative funded projects, thereby reducing immediate disruption.

While a complete and immediate halt to NIH and other US federal funding is regarded as an unlikely scenario, UCT has planned for such an eventuality. Should this extreme case materialise, the University will be compelled—through its formal HR processes—to restructure or retrench staff who cannot be absorbed into alternate projects or roles. The associated retrenchment costs will be met through the HR Emergency Fund, ensuring that the process is managed responsibly and in line with institutional policies and labour regulations.

This balanced approach recognises both the real risks posed by funding losses and the University's commitment to handling any resulting human impact with care and due process.



REPORT OF THE UNIVERSITY **FINANCE COMMITTEE** continued

FUTURE CHALLENGES – 2025 AND BEYOND continued

KEY RISKS AND CONTEXTS continued

h) Council-Controlled Teaching and Related Operations Bottom Line


The forecast period indicates a much reduced deficit for 2025 as a result of significant short-term decisions taken by RAAG to minimise any further drain on cash reserves, and a similar outlook for 2026 is evident (which assumes reductions in staffing costs as a result of financial sustainability interventions, but is offset by the reinstatement of various important costs paused during 2025 to contain the deficit), and thereafter, if our financial sustainability interventions (in particular further staffing reductions and improvements in respect of international students) gain the necessary traction and deliver on expectations, a turnaround is noticeable, with 2027 through 2029 expected to deliver a small surplus. However, based on the medium-term assumptions applied to the model, it is evident that the rate at which costs increase will continue to exceed that at which income increases on an annual basis, and this will then erode our ability to recover back to generating operating surpluses required to remain financially sustainable. The operating model will need to be adjusted to reverse this trend.

Key is that the focus on improving retention and throughputs improves both state subsidy and tuition fee revenues, while getting the credit and workload model resolved, improves the ability of our staff to undertake research, but also reduces the need for additional staff. Despite these challenges, we maintain an optimistic outlook. Our track record of effective financial management and accurate forecasting, coupled with our strategic interventions outlined in our medium-term financial sustainability plan, instils confidence that UCT will successfully navigate the current economic landscape. Our plans are further supported by a well-tested University integrated financial plan.

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



Mr Reeza Isaacs CA(SA)
Chair: University Finance Committee
28 June 2025

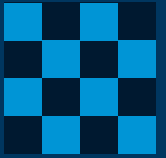


Mr Vincent Mtholo CA(SA)
Chief Financial Officer





CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR 2024



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COUNCIL'S STATEMENT OF RESPONSIBILITY FOR THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

The annual financial statements for the financial year 2024 presented on pages 63 to 111 have been prepared in accordance with International Financial Reporting Standards (IFRS) Accounting Standards and the regulations gazetted by the Minister of Higher Education and Training in terms of the Higher Education Act, 1997, and include amounts based on judgements and estimates made by management as more fully laid out in the notes to the financial statements. The Council has also prepared other information as required to be included in this annual report and is responsible for both its accuracy and consistency with the annual financial statements. A copy of the annual financial statements of the University is available on its website.

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

The financial statements have been audited by PricewaterhouseCoopers Incorporated (PwC) who have been given unrestricted access to all financial records and related data, including minutes of the meetings of Council and all its committees. Council believes that all representations made to the independent auditors during their audit were valid and appropriate. The annual financial statements set out on pages 63 to 111 were authorised for issue on 30 June 2025, in accordance with a resolution of the University Council on 28 June 2025, and are signed on its behalf by:

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



Mr Norman Arendse (SC)
CA(SA)
Chair: Council



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



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



Professor Mosa Moshabela
Vice-Chancellor



Mr Vincent Motholo
CA(SA)
Chief Financial Officer





INDEPENDENT AUDITOR'S REPORT TO **THE MINISTER OF HIGHER EDUCATION SCIENCE AND INNOVATION** ON THE UNIVERSITY OF CAPE TOWN

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

OPINION

We have audited the consolidated financial statements of the University of Cape Town and its subsidiaries (the group) set out on pages 63 to 111, which comprise the consolidated statement of financial position as at 31 December 2024, consolidated statement of profit or loss and other comprehensive income, statement of changes in funds balances and statement of cash flows for the year then ended, as well as notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the group as at 31 December 2024 and their financial performance and cash flows for the year then ended in accordance with the IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") and the requirements of the requirements of the Higher Education Act and the Regulations for reporting by Public Higher Education Institutions, 2014, issued in terms of the Higher Education Act.

BASIS FOR OPINION

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

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

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

PricewaterhouseCoopers Inc.

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Chief Executive Officer: L S Machaba

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

RESPONSIBILITIES OF THE COUNCIL FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

A further description of our responsibilities for the audit of the consolidated financial statements is included in the annexure to this auditor's report. This description, which is located on pages 61 to 62, forms part of our auditor's report.



INDEPENDENT AUDITOR'S REPORT TO **THE COUNCIL AND THE MINISTER OF HIGHER EDUCATION SCIENCE AND INNOVATION** ON THE UNIVERSITY OF CAPE TOWN continued

REPORT ON THE AUDIT OF THE ANNUAL PERFORMANCE REPORT

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

We selected the following objectives presented in the annual performance report for the year ended 31 December 2024 for auditing. We selected objectives that measures the University's performance on its primary mandated functions and that are of significant national, community or public interest.

Objective	Page numbers	Purpose
Target: Student numbers	20-21	
Target: Student success rates	22	To meet university's core objectives of teaching and learning
Target: Research outputs	22	

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

We performed procedures to test whether:

- » the indicators used for planning and reporting on performance can be linked directly to the University's mandate and the achievement of its planned objectives;
 - » the indicators are well defined to ensure that they are easy to understand and can be applied consistently;
 - » the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated; and
 - » the indicators and targets reported on in the annual performance report are the same as those committed to in the approved initial or revised planning documents.
- » There is adequate supporting evidence for the achievements reported.

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

We did not identify any material findings on the reported performance information for the objectives listed below:

1. Student numbers
2. Student success rates
3. Research outputs

OTHER MATTER

We draw attention to the matter below.

ACHIEVEMENT OF PLANNED TARGETS

The annual performance report includes information on reported achievements against planned targets.

REPORT ON THE COMPLIANCE WITH LEGISLATION

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

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

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

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

PROCUREMENT AND CONTRACT MANAGEMENT

Some of the members of staff did not notify the University of a conflict or possible conflict of interest before the University procured goods or services from such member of staff or an organisation within which such employee held an interest, in contravention of section 34(4)(b) of the Higher Education Act.



INDEPENDENT AUDITOR'S REPORT TO THE COUNCIL AND THE MINISTER OF HIGHER EDUCATION SCIENCE AND INNOVATION ON THE UNIVERSITY OF CAPE TOWN continued

REPORT ON THE AUDIT OF THE ANNUAL PERFORMANCE REPORT continued

OTHER INFORMATION IN THE ANNUAL REPORT

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

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

In connection with our audit, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements and the selected objectives presented in the annual performance report, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. I have nothing to report in this regard.

INTERNAL CONTROL DEFICIENCIES

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

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

Some of the members of staff did not notify the University of a conflict or possible conflict of interest before the University procured goods or services from such member of staff or an organisation within which such employee held an interest, in contravention of section 34(4)(b) of the Higher Education Act. This also does not comply with the University's "Policy on Conflict of Interest at UCT and on Disclosures of interests to be made by members of the University".

OTHER REPORTS

We draw attention to the following engagements conducted by various parties. These reports did not form part of our opinion on the financial statements or our findings on the reported performance information or compliance with legislation.

AUDIT-RELATED SERVICES AND SPECIAL AUDITS: AGREED-UPON PROCEDURES

Agreed-upon procedures on certificates will be performed for grants, other funding and similar items. Below is a list of the agreed-upon procedures engagements to be performed in relation to 2024 by ourselves. In this regard, PwC has been engaged to perform four agreed upon procedures which have been approved by Council. Additional agreed-upon procedures engagements were requested from other service providers.

Entity name/engagement	Purpose of the engagement	Period covered
HEMIS DHET Student and Financial Data	Agreeing a sample of various information relating to the HEMIS submission to DHET	01 January – 31 December 2024
NCR Form 40	Agreeing the information in the Form 40 return to underlying records	01 January – 31 December 2024
Supplementary Financial Data and Performance/Status Indicators	Agreeing the information in the schedule to underlying records.	01 January – 31 December 2024

PricewaterhouseCoopers Inc.

PricewaterhouseCoopers Inc.

Director: Duncan Adriaans

Registered Auditor

Stellenbosch,

South Africa

30 June 2025



INDEPENDENT AUDITOR'S REPORT TO **THE COUNCIL AND THE MINISTER OF HIGHER EDUCATION SCIENCE AND INNOVATION** ON THE UNIVERSITY OF CAPE TOWN continued

ANNEXURE TO THE AUDITOR'S REPORT

The annexure includes the following:

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT

Professional judgement and professional scepticism

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

Consolidated financial statements

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

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

- » plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

Communication with those charged with governance

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

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



INDEPENDENT AUDITOR'S REPORT TO THE MINISTER OF HIGHER EDUCATION SCIENCE AND INNOVATION ON THE UNIVERSITY OF CAPE TOWN continued

ANNEXURE TO THE AUDITOR'S REPORT Continued

COMPLIANCE WITH LEGISLATION – SELECTED LEGISLATIVE REQUIREMENTS

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Annual financial statements, performance reports and annual reports:	
Public Audit Act (PAA)	PAA 14(2)(b) GN 3018 of 8 February 2023: Audit Directive for 2023 PFMA 55(1)(c) Note: In terms of the PAA section 14(2)(b), auditees not subject to the PFMA and with no entity specific legislation that prescribes the submission date of AFS, must comply with requirements determined by the AGSA. In paragraph 34 of the AG Directive for 2023, the AGSA has determined that such auditees must comply with the PFMA requirements applicable to entities. In terms of section 55(1)(c) of the PFMA, entities must submit AFS within two months after the end of the financial year. Therefore, universities must submit AFS within two months of year end
Regulations for reporting by public higher education institutions, 2014, issued in terms of the Higher Education Act, 1997 (RRPHEI)	RRPHEI 7(4)(b)(xii)
Higher Education Act, 1997 (HE Act)	HE Act 41(1)(b)(ii)
Asset management:	
HE Act	HE Act 20(5) HE Act 40(3)(a)(i) HE Act 40(3)(a)(ii) HE Act 40(3)(a)(iii)
Consequence management:	
Prevention and Combating of Corrupt Activities Act 12 of 2004 (PRECCA)	PRECCA 34(1)

Legislation	Sections or regulations
Strategic planning and performance management:	
RRPHEI	RRPHEI 4(1) RRPHEI 4(2) RRPHEI 5(1), RRPHEI 5(2)(a) RRPHEI 5(2)(d) RRPHEI 5(2)(g) RRPHEI 5(2)(m) RRPHEI 6(2) RRPHEI 6(2)(d) RRPHEI 6(3)
Procurement and Contract Management:	
HE Act	HE Act s34(4)(a) HE Act s34(4)(b) HE Act s34(5) HE Act s34(6) HE Act s27(7)(c) HE Act s27(7)(e) HE Act s27(7)(A) - (C)



CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR 2024

CONSOLIDATED STATEMENT OF FINANCIAL POSITION as at 31 December 2024

	Note	2024 R'000	2023 R'000
ASSETS		17 623 844	16 789 150
Non-current assets		15 113 937	14 351 782
Property, plant and equipment	5	4 529 325	4 414 019
Right of use assets	20	189 682	219 936
Investments	6	10 334 674	9 651 396
Investments in associates	7	9 073	2 888
Loans receivable	8	30 173	31 203
Student loans receivable	27	21 010	32 340
Current assets		2 509 907	2 437 368
Investments	6	88 662	—
Inventories		1 313	1 306
Loans receivable	8	6 126	1 975
Accounts receivable and prepayments	9	362 507	488 388
Student fees receivable	9	487 700	352 491
Student loans receivable	27	29 921	5 851
Contract assets	17	8 565	7 605
Cash at bank and cash equivalents	10	1 525 113	1 579 752
ACCUMULATED FUNDS AND LIABILITIES		17 623 844	16 789 150
Accumulated funds		14 360 298	13 515 235
Non-distributable funds		6 273 480	5 716 020
Endowed funds		6 273 480	5 716 020
Restricted funds designated for specific activities		5 544 842	4 849 235
Education and general		5 754 914	5 069 793
Student and staff accommodation		(210 072)	(220 558)
Unrestricted Council-controlled funds		2 532 079	2 940 189
Non-controlling interests		9 897	9 791
Non-current liabilities		1 860 138	1 868 776
Deferred revenue	11	893 467	909 345
Interest-bearing borrowings	19	53 475	61 334
Employee benefit liabilities	12	780 488	727 070
Lease liabilities	20	132 708	171 027
Current liabilities		1 403 408	1 405 139
Accounts payable and accrued liabilities	13	616 857	674 825
Contract liabilities	17	56 430	49 587
Deferred revenue	11	358 623	320 961
Interest-bearing borrowings	19	7 878	7 878
Student deposits	17	133 134	149 937
Employee benefit liabilities	12	196 888	178 166
Lease liabilities	20	33 598	23 785



CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR 2024 continued

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2024

	Note	Council- Controlled Unrestricted R'000	Specifically- Funded Activities Restricted R'000	Sub-total R'000	Student and Staff Housing Restricted R'000	Total R'000	2023 R'000
Revenue		4 218 078	3 788 673	8 006 751	677 282	8 684 033	8 628 184
Subsidies and grants	14	1 831 566	335 099	2 166 665	—	2 166 665	2 167 801
Tuition and other fee income	17	1 675 525	—	1 675 525	630 034	2 305 559	2 031 590
Gross revenue		1 813 416	—	1 813 416	693 101	2 506 517	2 322 828
Council bursaries	21.1	(43 712)	—	(43 712)	(18 184)	(61 896)	(171 187)
Restricted bursaries	21.1	(94 179)	—	(94 179)	(44 883)	(139 062)	(120 051)
Income from contracts		—	1 819 443	1 819 443	—	1 819 443	1 772 827
Sale of goods and services	17	467 282	711 652	1 178 934	32 848	1 211 782	1 213 675
Donations and gifts		6 360	435 316	441 676	—	441 676	757 679
Sub-total		3 980 733	3 301 510	7 282 243	662 882	7 945 125	7 943 572
Interest	15	237 345	360 822	598 167	14 400	612 567	576 719
Dividends	15	—	126 341	126 341	—	126 341	107 893
Expenditure		4 636 313	3 167 142	7 803 455	726 570	8 530 025	8 279 513
Personnel costs	16	3 226 904	1 562 548	4 789 452	198 221	4 987 673	4 745 508
Other operating expenses	18	1 079 787	1 148 036	2 227 823	509 671	2 737 494	2 753 165
Expected credit losses	9	107 873	—	107 873	—	107 873	75 527
Financial aid and scholarships	21.1	41 637	316 267	357 904	—	357 904	370 158
Depreciation	5&20	158 518	139 833	298 351	18 678	317 029	309 548
Sub-total		4 614 719	3 166 684	7 781 403	726 570	8 507 973	8 253 906
Finance costs	28	21 594	458	22 052	—	22 052	25 607
Other income/(losses)		8 840	690 912	699 752	(1 779)	697 973	691 030
Income from associates	7	—	2 785	2 785	—	2 785	(1 497)
Profit/(loss) on disposal of property, plant & equipment		(4 392)	(1 756)	(6 148)	(1 779)	(7 927)	(4 809)
Fair value profit/(loss) on fair value through profit or loss financial instruments		13 232	689 883	703 115	—	703 115	697 336
NET OPERATING SURPLUS/(DEFICIT)		(409 395)	1 312 443	903 048	(51 067)	851 981	1 039 701
Transfers between funds	22.1	(25 265)	(36 288)	(61 553)	61 553	—	—
SURPLUS/(DEFICIT) FOR THE YEAR		(434 660)	1 276 155	841 495	10 486	851 981	1 039 701
Attributable to:							
University operations		(434 660)	1 276 049	841 389	10 486	851 875	1 039 524
Non-controlling interests		—	106	106	—	106	177

CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR 2024 continued

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2023

	Note	Council- Controlled Unrestricted R'000	Specifically- Funded Activities Restricted R'000	Sub-total R'000	Student and Staff Housing Restricted R'000	Total R'000	2022 R'000
Revenue		4 281 542	3 822 358	8 103 900	524 284	8 628 184	7 762 131
Subsidies and grants	14	1 851 780	316 021	2 167 801	—	2 167 801	2 244 434
Tuition and other fee income	17	1 554 282	—	1 554 282	477 308	2 031 590	2 005 385
Gross revenue		1 701 676	—	1 701 676	621 152	2 322 828	2 201 662
Council bursaries	21.1	(62 831)	—	(62 831)	(108 356)	(171 187)	(88 927)
Restricted bursaries	21.1	(84 563)	—	(84 563)	(35 488)	(120 051)	(107 350)
Income from contracts		—	1 772 827	1 772 827	—	1 772 827	1 549 342
Sale of goods and services	17	590 664	589 955	1 180 619	33 056	1 213 675	896 760
Donations and gifts		17 056	740 623	757 679	—	757 679	481 312
Sub-total		4 013 782	3 419 426	7 433 208	510 364	7 943 572	7 177 233
Interest	15	267 760	295 039	562 799	13 920	576 719	456 654
Dividends	15	—	107 893	107 893	—	107 893	128 244
Expenditure		4 661 933	2 908 467	7 570 400	709 113	8 279 513	7 371 621
Personnel costs	16	3 142 605	1 411 613	4 554 218	191 290	4 745 508	4 346 669
Other operating expenses	18	1 171 191	1 080 990	2 252 181	500 984	2 753 165	2 309 675
Expected credit losses	9	75 527	—	75 527	—	75 527	32 713
Financial aid and scholarships	21.1	83 775	286 383	370 158	—	370 158	322 716
Depreciation	5&20	163 657	129 052	292 709	16 839	309 548	330 233
Sub-total		4 636 755	2 908 038	7 544 793	709 113	8 253 906	7 342 006
Finance costs	28	25 178	429	25 607	—	25 607	29 615
Other income/(losses)		4 491	686 539	691 030	—	691 030	(309 689)
Income from associates	7	—	(1 497)	(1 497)	—	(1 497)	283
Profit/(loss) on disposal of property, plant & equipment		(687)	(4 122)	(4 809)	—	(4 809)	(2 343)
Fair value profit/(loss) on fair value through profit or loss financial instruments		5 178	692 158	697 336	—	697 336	(307 629)
NET OPERATING SURPLUS/(DEFICIT)		(375 900)	1 600 430	1 224 530	(184 829)	1 039 701	80 821
Transfers between funds	22.1	26 603	(161 780)	(135 177)	135 177	—	—
SURPLUS/(DEFICIT) FOR THE YEAR		(349 297)	1 438 650	1 089 353	(49 652)	1 039 701	80 821
Attributable to:							
University operations		(349 297)	1 438 473	1 089 176	(49 652)	1 039 524	81 359
Non-controlling interests		—	177	177	—	177	(538)

CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR 2024 continued

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2024

	Note	Council- Controlled Unrestricted R'000	Specifically- Funded Activities Restricted R'000	Student and Staff Housing Restricted R'000	Total R'000
Surplus/(deficit) for the year		(434 660)	1 276 155	10 486	851 981
Other comprehensive income					
Other comprehensive income not to be reclassified to surplus or deficit in subsequent periods		(6 200)	—	—	(6 200)
Actuarial gains/(losses) on post-retirement medical aid benefit obligation	12.3	(6 200)	—	—	(6 200)
TOTAL COMPREHENSIVE INCOME/(LOSS)		(440 860)	1 276 155	10 486	845 781
Attributable to:		(440 860)	1 276 155	10 486	845 781
University operations		(440 860)	1 276 049	10 486	845 675
Non-controlling interests		—	106	—	106

For the year ended 31 December 2023

	Note	Council- Controlled Unrestricted R'000	Specifically- Funded Activities Restricted R'000	Student and Staff Housing Restricted R'000	Total R'000
Surplus/(deficit) for the year		(349 297)	1 438 650	(49 652)	1 039 701
Other comprehensive income					
Other comprehensive income not to be reclassified to surplus or deficit in subsequent periods		94 100	—	—	94 100
Actuarial gains/(losses) on post-retirement medical aid benefit obligation	12.3	94 100	—	—	94 100
TOTAL COMPREHENSIVE INCOME/(LOSS)		(255 197)	1 438 650	(49 652)	1 133 801
Attributable to:		(255 197)	1 438 650	(49 652)	1 133 801
University operations		(255 197)	1 438 473	(49 652)	1 133 624
Non-controlling interests		—	177	—	177



CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR 2024 continued

CONSOLIDATED STATEMENT OF CHANGES IN FUND BALANCES

For the year ended 31 December 2024

	Note	Non-distributable	Funds Restricted for Specific Activities		Unrestricted Funds	Non-controlling interests R'000	Total R'000
		Ended Funds R'000	Education and General R'000	Student and Staff housing R'000	Council Controlled R'000		
Opening fund balances		5 716 020	5 069 793	(220 558)	2 940 189	9 791	13 515 235
Total comprehensive income/(loss)		—	1 276 049	10 486	(440 860)	106	845 781
Surplus/(deficit) for the year		—	1 276 049	10 486	(434 660)	106	851 981
Other comprehensive income		—	—	—	(6 200)	—	(6 200)
Transfers between funds	22.2	557 460	(590 210)	—	32 750	—	—
Loss of control of subsidiary		—	(718)	—	—	—	(718)
Closing fund balances		6 273 480	5 754 914	(210 072)	2 532 079	9 897	14 360 298

For the year ended 31 December 2023

	Note	Non-distributable	Funds Restricted for Specific Activities		Unrestricted Funds	Non-controlling interests R'000	Total R'000
		Ended Funds R'000	Education and General R'000	Student and Staff housing R'000	Council Controlled R'000		
Opening fund balances		5 063 532	4 317 185	(170 906)	3 162 009	9 614	12 381 434
Total comprehensive income/(loss)		—	1 438 473	(49 652)	(255 197)	177	1 133 801
Surplus/(deficit) for the year		—	1 438 473	(49 652)	(349 297)	177	1 039 701
Other comprehensive income		—	—	—	94 100	—	94 100
Transfers between funds	22.2	652 488	(685 865)	—	33 377	—	—
Closing fund balances		5 716 020	5 069 793	(220 558)	2 940 189	9 791	13 515 235



CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR 2024 continued

CONSOLIDATED STATEMENT OF CASH FLOWS for the year ended 31 December 2024

	Note	2024 R'000	2023 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from students, government and private sources		7 572 265	7 470 403
Cash paid to employees and suppliers		(7 815 791)	(7 252 459)
Cash generated from / (utilised in) operations	25	(243 526)	217 944
Interest received		173 238	175 481
Finance costs	28	(22 052)	(25 607)
Net cash inflows/(outflows) from operating activities		(92 340)	367 818
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisitions of property, plant and equipment	5	(421 932)	(438 815)
Proceeds on disposal of property, plant and equipment		10 377	13 938
Purchase of investments		(958 740)	(363 494)
Proceeds from sale of investments		1 409 079	750 409
Derecognition of subsidiary	2.4	(718)	—
Net cash inflows/(outflows) from investing activities		38 066	(37 962)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment of principal portion of interest-bearing borrowings	23.9	(7 859)	(8 094)
Payment of principal portion of lease liabilities	23.9	(30 822)	(38 747)
Government grants received - Infrastructure Efficiency Grant	11	38 316	103 687
Net cash inflows/(outflows) from financing activities		(365)	56 846
Net increase/(decrease) in cash and cash equivalents		(54 639)	386 702
Cash and cash equivalents at the beginning of the year		1 579 752	1 193 050
Cash and cash equivalents at the end of the year	10	1 525 113	1 579 752



CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR 2024 continued

NOTES

1. University information

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

The consolidated annual financial statements of the University for the year ended 31 December 2024 were authorised for issue on 30 June 2025, in accordance with a resolution of Council.

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

2. Basis of preparation

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

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

2.1 New and Amended Standards and Interpretations

Number	Effective date	Summary
Amendments to IAS 1, 'Presentation of Financial Statements' – Non-current liabilities with covenants	Annual periods beginning on or after 1 January 2024 <i>(published January 2020 and November 2022)</i>	These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provides related to liabilities subject to these conditions.
Amendment to IFRS 16, 'Leases' – sale and leaseback	Annual periods beginning on or after 1 January 2024 <i>(published September 2022)</i>	These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.

Number	Effective date	Summary
Amendments to Supplier Finance Arrangements (IAS 7 'Statement of Cash Flows' and IFRS 7 'Financial Instruments: Disclosure')	Annual periods beginning on or after 1 January 2024 <i>(published May 2023)</i>	These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on a company's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis.

These standards did not have a material impact.

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



CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR 2024 continued

NOTES continued

2. Basis of preparation continued

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

Number	Effective date	Summary
Amendments to IAS 21, 'The Effects of Changes in Foreign Exchange Rates' - Lack of Exchangeability (Amendments to IAS 21)	Annual periods beginning on or after 1 January 2025 (<i>published August 2023</i>)	An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations.
Amendment to IFRS 9, "Financial Instruments" and IFRS 7, "Financial Instruments: Disclosures" - Classification and Measurement of Financial Instruments	Annual periods beginning on or after 1 January 2026 (<i>published May 2024</i>)	<p>These amendments:</p> <ul style="list-style-type: none"> » clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system; » clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion; » add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets; and » make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI).

Number	Effective date	Summary
IFRS 18, 'Presentation and Disclosure in Financial Statements'	Annual periods beginning on or after 1 January 2027 (<i>published April 2024</i>)	<p>The objective of IFRS 18 is to set out requirements for the presentation and disclosure of information in general purpose financial statements (financial statements) to help ensure they provide relevant information that faithfully represents an entity's assets, liabilities, equity, income and expenses.</p> <p>IFRS 18 replaces IAS 1 'Presentation of Financial Statements' and focuses on updates to the statement of profit or loss with a focus on the structure of the statement of profit or loss; required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.</p> <p>Many of the other existing principles in IAS 1 are retained, with limited changes. IFRS 18 will not impact the recognition or measurement of items in the financial statements, but it might change what an entity reports as its operating profit or loss.</p>

2.3 Statement of compliance

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

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



CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR 2024 continued

NOTES continued

2. Basis of preparation continued

2.4 Basis of consolidation

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

The Graduate School of Business Foundation ceased to be a subsidiary in the current year. UCT is not exposed, nor has rights, to variable returns from its involvement with the Graduate School of Business Foundation, nor has the ability to affect those returns. At 31 December 2023, the following had been consolidated:

Assets	762 058
Liabilities	(44 080)
Net equity	(717 978)

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

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

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

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

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

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

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of *IFRS 9: Financial Instruments*, is measured at fair value with changes in fair value recognised in profit or loss. All balances, transactions, unrealised gains and losses resulting from intra-University transactions, are eliminated in full.

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



CONSOLIDATED **ANNUAL FINANCIAL STATEMENTS** FOR 2024 continued

NOTES continued

2. Basis of preparation continued

2.5 Segment information and accumulated funds

A segment is a recognised component of the University that is engaged in undertaking activities and providing services that are subject to risks and returns different from those of other segments. The segmentation presented in the financial statements is in terms of the guidelines prescribed by the Department of Higher Education and Training and is specifically not in terms of *IFRS 8: Operating Segments*. The operating businesses are managed separately but fall under the oversight of the University of Cape Town's executive leadership.

2.5.1 Council-controlled unrestricted

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

2.5.2 Specifically-funded activities restricted

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

2.5.3 Student and staff housing restricted

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

2.5.4 Endowed funds income

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

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



2.6 Transfers between funds

Transfers between funds are reflected in two areas.

2.6.1 Operational transfers

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

2.6.2 Endowment related transfers

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

3. Significant accounting judgements and estimates

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

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

3.1 Judgements

3.1.1 Revenue from contracts with customers

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

Determining the timing of satisfaction of research services

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



CONSOLIDATED **ANNUAL FINANCIAL STATEMENTS** FOR 2024 continued

NOTES continued

3. Significant accounting judgements and estimates continued

3.1 Judgements continued

3.1.1 Revenue from contracts with customers continued

Principal versus agent considerations

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

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

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

3.1.2 Investments

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

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

3.1.3 Provision for expected credit losses

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

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

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

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

3.1.4 Leases

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

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

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

In addition, the renewal options for leases of motor vehicles are not included as part of the lease term because the University does not exercise any renewal options. Furthermore, the periods covered by termination options are included as part of the lease term only when they are reasonably certain to be exercised. Refer to note 20.



CONSOLIDATED **ANNUAL FINANCIAL STATEMENTS** FOR 2024 continued

NOTES continued

3. Significant accounting judgements and estimates continued

3.2 Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are set out below.

3.2.1 Investments – judgements over fair value

Financial assets within the scope of *IFRS 9: Financial Instruments: Recognition and Measurement* are classified as financial assets at fair value through profit or loss. Management determines the classification of its financial assets at initial recognition. When the fair value of investments recorded in the Consolidated Statement of Financial Position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques such as director's valuations based on recent equity transactions or discounted cash flows (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of estimates is required in establishing fair values. Estimates include considerations of inputs such as liquidity risk, credit risk and volatility. Additional details on these assumptions are provided in note 6.

3.2.2 Useful lives and residual values

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

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

3.2.3 Gratuity liability for academic staff

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

3.2.4 Post-retirement medical aid benefits obligation

The University's future obligation in respect of post-retirement medical aid contributions is actuarially valued based on the projected unit credit method. For the purpose of the valuation at 31 December 2024, key assumptions were made in respect of the discount rate, expected inflation on medical aid contributions, expected age of retirements and mortality rates. Additional details on these assumptions are provided in note 12.3.

3.2.5 Student fees receivables

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

3.2.6 Deferred revenue

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

4. Summary of significant accounting policies

4.1 Foreign currency translation

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

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

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

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



CONSOLIDATED **ANNUAL FINANCIAL STATEMENTS** FOR 2024 continued

NOTES continued

4. Summary of significant accounting policies continued

4.2 Revenue recognition

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

4.2.1 Subsidies and grants

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

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

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

4.2.2 Donations and gifts

Such revenue arises from contracts which are not *IFRS 15: Revenue from Contracts with Customers*. Donations and gifts received are included in the Consolidated Statement of Comprehensive Income in the period in which they are received.

4.2.3 Interest

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

4.2.4 Dividends

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

4.2.5 Revenue from contracts with customers

Revenue from contracts with customers relates to income not dealt with in 4.2.1 to 4.2.4 above. The University has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer other than in instances mentioned in 3.1.1 above.

Contract assets

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

Contract liabilities

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

4.2.5.1 Income from contracts

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

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

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

4.2.5.2 Tuition and other fee income

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

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

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

4.2.5.3 Income received for bursaries

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

4.2.5.4 Sale of goods and services

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



CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR 2024 continued

NOTES continued

4. Summary of significant accounting policies continued

4.3 Retirement benefits

4.3.1 Defined contribution retirement plan

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

4.3.2 Medical aid benefits

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

4.4 Employee benefit liabilities

4.4.1 Gratuity liability for academic staff

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

4.4.2 Leave liability for professional, administrative and support staff

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

4.4.3 Defined benefit post-retirement medical aid obligation

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

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

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

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

4.4.4 Performance-linked rewards

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

4.5 Library acquisitions

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

4.6 Property, plant and equipment

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

Subsequently, property plant and equipment is stated at cost less accumulated depreciation and any provision for impairment. Subsequent costs are included in the asset's carrying amount or are recognised as a separate asset, as appropriate, only when it is probable that future economic benefits will flow to the University and the cost of the item can be measured reliably.

Maintenance and repairs, which do not meet these criteria, are expensed as incurred. Donated assets are initially recorded at fair value at the date of donation.

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

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

	2024	2023
Buildings	75–200 years	75–200 years
Leasehold improvements	Lease period	Lease period
Motor vehicles	15 years	15 years
Furniture and equipment	5–50 years	5–50 years
Computers, servers and network infrastructure	5–10 years	5–10 years

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



CONSOLIDATED **ANNUAL FINANCIAL STATEMENTS** FOR 2024 continued

NOTES continued

4. Summary of significant accounting policies continued

4.7 Impairment of non-financial assets

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

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

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

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

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

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

4.8 Financial assets and liabilities

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

With the exception of trade and student debtors that do not contain a significant finance component, the University initially measures financial assets and liabilities at fair value plus, in the case of a financial asset or liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or liability. Trade and student debtors that do not contain a significant financing component are measured at transaction price in accordance with *IFRS 15: Revenue from Contracts with Customers* (refer to accounting policy 4.2.5). Financial assets are classified, at initial recognition as subsequently measured at fair value through profit or loss, fair value through other comprehensive income or amortised cost, as appropriate.

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

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

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

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

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

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

Level 1:

Quoted (unadjusted) prices in active markets for identical assets or liabilities. The fair values of listed investments are based on quoted market prices at year-end. The quoted market price refers to the closing price on the last date of business before year-end.

Level 2:

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

Level 3:

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



CONSOLIDATED **ANNUAL FINANCIAL STATEMENTS** FOR 2024 continued

NOTES continued

4. Summary of significant accounting policies continued

Level 3: continued

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

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

4.8.1 Financial assets at amortised cost and receivables

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

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

Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. The University's financial assets at amortised cost includes trade receivables, student fees receivable and cash and cash equivalents.

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

4.8.2 Financial assets at fair value through profit or loss

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

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

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

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

4.8.3 Financial Liabilities

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

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

4.9 De-recognition of financial assets and liabilities

4.9.1 Financial Assets

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

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

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

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

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

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



CONSOLIDATED **ANNUAL FINANCIAL STATEMENTS** FOR 2024 continued

NOTES continued

4. Summary of significant accounting policies continued

4.9 De-recognition of financial assets and liabilities continued

4.9.2 Financial Liabilities

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

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

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

4.10 Impairment of financial assets at amortised cost

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

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

4.11 Investment in associates

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

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

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

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

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

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

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

4.12 Inventories

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

Inventories are made up of consumables.

4.13 Leases

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

4.13.1 University as a lessee

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

CONSOLIDATED **ANNUAL FINANCIAL STATEMENTS** FOR 2024 continued

NOTES continued

4. Summary of significant accounting policies continued

4.13 Leases continued

4.13.1 University as a lessee continued

Right of use assets

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

	2024	2023
Buildings	3 to 47 years	3 to 47 years
Motor vehicles	14 months to 7 years	14 months to 7 years

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

Lease liabilities

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

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

Short term leases and leases of low value assets

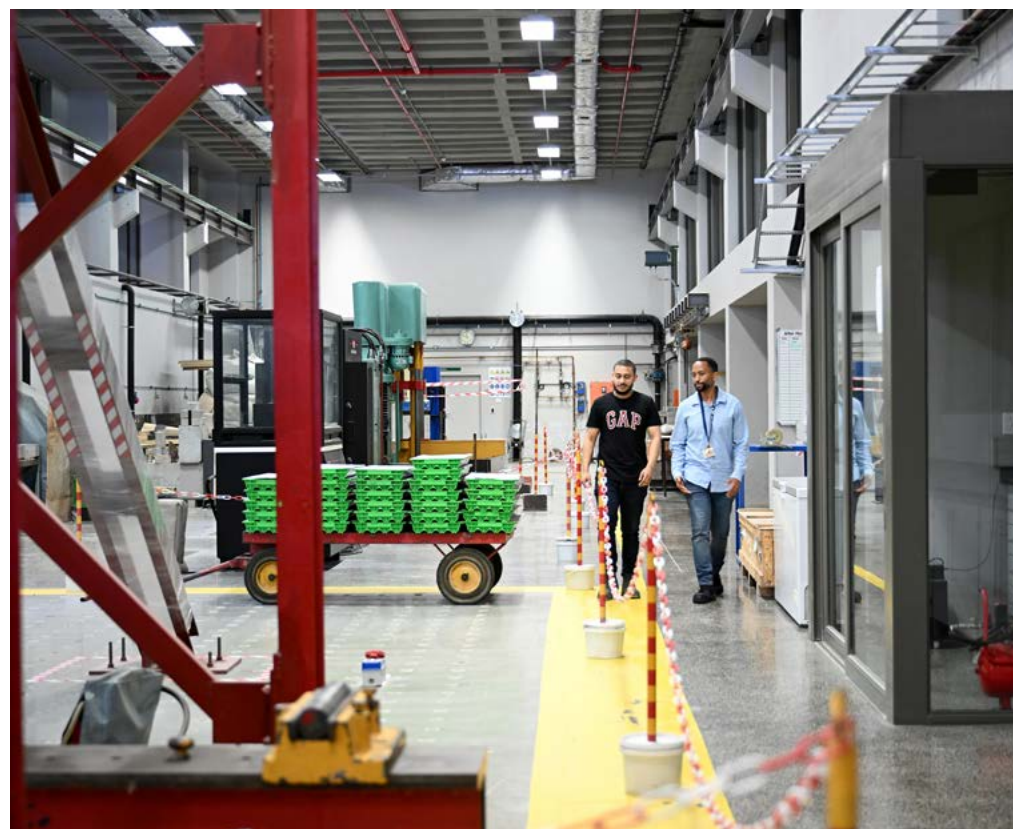
The University applies the short-term lease recognition exemption to its short-term (one year or less) leases of property. It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases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

4.13.2 University as a lessor

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

4.14 Other expenditure

Other expenditure is expensed as incurred.



CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR 2024 continued

NOTES continued

5. Property, Plant and Equipment

Year ended 31 December 2024

	Land, Buildings and Land Improvements R'000	Furniture and Equipment R'000	Computers and Hardware R'000	Motor Vehicles R'000	Assets Under Construction R'000	Total R'000
Carrying amount at 1 January 2024	3 160 760	963 870	230 766	28 955	29 668	4 414 019
Cost						
Cost 1 January 2024	3 704 632	1 669 533	568 732	57 121	29 668	6 029 686
Additions	79 202	187 074	135 946	4 795	14 915	421 932
Capitalisations	24 455	—	—	—	(24 455)	—
Disposals	(7 766)	(37 135)	(65 123)	(4 054)	—	(114 078)
Cost 31 December 2024	3 800 523	1 819 472	639 555	57 862	20 128	6 337 540
Accumulated depreciation and impairment						
Balance 1 January 2024	543 872	705 663	337 966	28 166	—	1 615 667
Disposals	(2 630)	(33 719)	(51 442)	(3 153)	—	(90 944)
Depreciation	65 194	125 464	89 182	3 652	—	283 492
Balance 31 December 2024	606 436	797 408	375 706	28 665	—	1 808 215
Carrying amount at 31 December 2024	3 194 087	1 022 064	263 849	29 197	20 128	4 529 325

A register of land and buildings is available for inspection at the business address. The University is not permitted to dispose of, or otherwise alienate, its land and buildings without the approval of the Minister of Higher Education and Training. In addition, there are further restrictions on the alienation of certain properties held by deed of grant under the Rhodes Will Act. The University's buildings and land improvements have an insured value of R39 billion (2023: R38 billion).

The portion of land and buildings above relating to land only is R169.0 million (2023: R169.1 million).

Land and buildings above include leasehold improvements with a net carrying amount of R179.2 million (2023: R178.1 million).

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



CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR 2024 continued

NOTES continued

5. Property, Plant and Equipment continued

Year ended 31 December 2023

	Land, Buildings and Land Improvements R'000	Furniture and Equipment R'000	Computers and Hardware R'000	Motor Vehicles R'000	Assets Under Construction R'000	Total R'000
Carrying amount at 1 January 2023	3 069 721	917 860	217 515	30 574	22 365	4 258 035
Cost						
Cost 1 January 2023	3 553 310	1 547 999	524 853	57 046	22 365	5 705 573
Additions	146 314	166 803	109 046	3 221	13 431	438 815
Capitalisations	6 128	—	—	—	(6 128)	—
Disposals	(1 120)	(45 269)	(65 167)	(3 146)	—	(114 702)
Cost 31 December 2023	3 704 632	1 669 533	568 732	57 121	29 668	6 029 686
Accumulated depreciation and impairment						
Balance 1 January 2023	483 589	630 139	307 338	26 472	—	1 447 538
Disposals	(2 158)	(39 845)	(51 735)	(2 217)	—	(95 955)
Depreciation	62 441	115 369	82 363	3 911	—	264 084
Balance 31 December 2023	543 872	705 663	337 966	28 166	—	1 615 667
Carrying amount at 31 December 2023	3 160 760	963 870	230 766	28 955	29 668	4 414 019



CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR 2024 continued

NOTES continued

6. Investments

	2024 R'000	2023 R'000
LISTED INVESTMENTS		
Local investments		
Equities	2 720 089	2 372 661
Mutual funds	9 106	12 739
Collective investment schemes	905 448	1 061 402
Capital market interest-bearing investments	1 148 144	1 203 908
International investments		
Mutual funds	151 059	133 228
Equity collective investment schemes	1 759 989	1 392 858
UNLISTED INVESTMENTS		
Local investments		
Mutual funds	284 263	205 798
Collective investment schemes	492 962	216 593
Capital market interest-bearing investments	1 185 705	976 508
Local money market and call deposits	664 857	774 601
Unlisted companies	108 234	64 433
International investments		
Mutual funds	744 075	725 803
Collective investment schemes	249 388	510 847
Money market and call deposits	17	17
TOTAL INVESTMENTS	10 423 336	9 651 396
Non-current	10 334 674	9 651 396
Current	88 662	—

The current portion of the investment balance relates to the group's anticipated divestment required to fund the Foundation's 2025 distribution.

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

Fair value hierarchy

As at 31 December 2024, the University held the above financial instruments measured at fair value. The University uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1:

Quoted (unadjusted) prices in active markets for identical assets or liabilities. The fair values of listed investments are based on quoted market prices at year-end. The quoted market price refers to the closing price on the last date of business before year-end.

Level 2:

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

Level 3:

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

All corporate bonds are considered to be classified as level 2 investments, with government bonds classified as level 1. All corporate and government bonds have been grouped in aggregate under local capital market interest-bearing investments.

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

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

Spin-off companies

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



CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR 2024 continued

NOTES continued

6. Investments continued

SA SME: Fund of VC Funds I

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

InfraImpact: Mid - Market Infrastructure Fund I

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

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

At 31 December 2024, the University held the following financial instruments measured at fair value:

	Total R'000	Level 1 R'000	Level 2 R'000	Level 3 R'000
Local investments				
Equity shares	2 720 089	2 720 089	—	—
Mutual funds	293 369	9 106	198 171	86 092
Collective investment schemes	1 398 410	905 448	492 962	—
Capital market interest-bearing investments	2 333 849	1 148 144	1 185 705	—
Money market and call deposits	664 857	—	664 857	—
Unlisted entities	108 234	—	—	108 234
International investments				
Mutual funds	895 134	151 059	744 075	—
Collective investment schemes	2 009 377	1 759 989	249 388	—
Money market and call deposits	17	—	17	—
Total	10 423 336	6 693 835	3 535 175	194 326



CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR 2024 continued

NOTES continued

6. Investments continued

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

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

Reconciliation of Level 3 investments

	2024 R'000	2023 R'000
Balance at 1 January	99 632	58 239
Purchases	98 390	43 393
Withdrawals	(666)	—
Investment returns/(expenses)	(2 839)	—
Fair value movements	(191)	(2 000)
Balance at 31 December	194 326	99 632

7. Investments in Associates

The University has the following interests in associates:

Name of Associate	% interest	Nature of activities	Principal place of business
UCT Medical Centre (Pty) Ltd trading as UCT Private Academic Hospital	26	The University has an interest in the UCT Medical Centre (Pty) Ltd, which operates a private hospital.	Cape Town, South Africa
MariHealth Solutions (Pty) Ltd	21.4	MariHealth Solutions (Pty) Ltd is a marine biotech spin-off company.	Cape Town, South Africa
Sleep Science Cape Town RF (Pty) Ltd	30	Sleep Science Cape Town RF (Pty) Ltd is a sleep health spin-off company.	Cape Town, South Africa
AcinoTech (Pty) Ltd	20	AcinoTech (Pty) Ltd is a biomechanics analysis spin-off company.	Cape Town, South Africa

UCT's share in MariHealth Solutions (Pty) Ltd was diluted during the year (2023: 30%).

Sleep Science Cape Town RF (Pty) Ltd and AcinoTech (Pty) Ltd are new spin-off companies still in the start-up phase; there are no profits to equity account. The University's share in the losses has been limited to the investment in the associates, which is nil.

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

CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR 2024 continued

NOTES continued

7. Investments in Associates continued

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

Summarised provisional financial information is set out below.

Associates' statements of financial position at 31 December:

	2024		2023	
	UCT Medical Centre (Pty) Ltd R'000	MariHealth Solutions (Pty) Ltd R'000	UCT Medical Centre (Pty) Ltd R'000	MariHealth Solutions (Pty) Ltd R'000
Non-current assets	26 793	88	36 798	110
Current assets	23 470	8 661	22 735	6 468
Non-current liabilities	(5 739)	—	(13 538)	(5 452)
Current liabilities	(16 560)	(10)	(30 997)	—
Net assets/(liabilities)	27 964	8 739	14 998	1 126
Equity	27 964	8 739	14 998	1 126
Share capital	20 000	14 852	20 000	4 500
Accumulated losses	7 964	(6 113)	(5 002)	(3 374)

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

	2024		2023	
	UCT Medical Centre (Pty) Ltd R'000	MariHealth Solutions (Pty) Ltd R'000	UCT Medical Centre (Pty) Ltd R'000	MariHealth Solutions (Pty) Ltd R'000
Revenue	244 513	342	207 837	132
Cost of sales	(138 544)	(211)	(116 783)	—
Other income	1 369	455	796	434
Administrative expenses	(85 738)	(3 324)	(89 571)	(3 638)
Net finance costs	(4 383)	—	(4 269)	—
Profit/(loss) before tax	17 217	(2 738)	(1 990)	(3 072)
Income tax expense	(4 250)	—	126	—
Total comprehensive income for the year	12 967	(2 738)	(1 864)	(3 072)
University's share of profits/(losses)	3 371	(586)	(485)	(922)



CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR 2024 continued

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8. Loans Receivable

	2024 R'000	2023 R'000
Non-current loans		
Loan to the Ukukhula Trust	685	1 645
Loans to Sports Science Share Block (Pty) Ltd shareholders	17 771	17 681
Loan to Inyosi Capital (Pty) Ltd	6 814	6 974
Loan to New Amalfi Technology Repair and Training (Pty) Ltd	4 903	4 903
	30 173	31 203
Current loans		
Loan to Cape BioPharms (Pty) Ltd	3 965	1 827
Loan to Acinotech (Pty) Ltd	1 052	100
Loan to Sleep Science Cape Town RF (Pty) Ltd	74	48
Loan to Impulse Biomedical (Pty) Ltd	1 035	—
	6 126	1 975
Total loans	36 299	33 178

Additional details regarding these loans are set out below:

Loan	Interest	Repayment terms	Expected credit losses
Ukukhula Trust	Weighted average rate of interest of 9.08% (2023: 8.42%)	No fixed terms of repayment and is not expected to be realised in the next 12 months.	The loan is impaired with reference to the underlying market value of the shares held by the Ukukhula Trust. The amount disclosed is net of expected credit losses of R4.9 million (2023: 3.5 million).
Sports Science Share Block (Pty) Ltd shareholders	Interest-free	No fixed terms of repayment and is not expected to be realised in the next 12 months.	There was no significant increase in the credit risk of the loan, and as such, management considers the loan to be recoverable, with immaterial credit losses being recognised at year end (2023: Rnil).

Loan	Interest	Repayment terms	Expected credit losses
Inyosi Capital (Pty) Ltd	Interest-free	5-year unsecured Enterprise Development loan, repayable at the earlier of 6 October 2027 or within 60 days of notice to repay the loan. At 31 December 2024 no notice of repayment have been issued and management does not intend to issue a notice of repayment within the next 12 months.	At year end, no impairment has been recognised (2023: Rnil) as there was no significant increase in the credit risk of these loans. Management deems the loans to be recoverable.
New Amalfi Technology Repair and Training (Pty) Ltd	Interest-free	5-year unsecured Enterprise Development loan, repayable at the earlier of 17 March 2027 or within 60 days of notice to repay the loan. At 31 December 2024 no notice of repayment have been issued and management does not intend to issue a notice of repayment within the next 12 months.	At year end, no impairment has been recognised (2023: Rnil) as there was no significant increase in the credit risk of these loans. Management deems the loans to be recoverable.



CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR 2024 continued

NOTES continued

8. Loans Receivable continued

Loan	Interest	Repayment terms	Expected credit losses
Cape BioPharms (Pty) Ltd	Prime plus 1%	31 December 2022	Although Cape Bio Pharms (Pty) Ltd are currently experiencing cash flow problems and have been unable to settle this loan, management is of the opinion that due to recent events (partnering with a new investor and the planned expansion of their manufacturing facility), that the loan is fully recoverable. Therefore, immaterial expected credit losses have been recognised (2023: Rnil).
Acinotech (Pty) Ltd	Prime	No fixed terms of repayment.	There has been no notable increase in factors that would affect their ability to settle the loans. Management considers these loans recoverable and no expected credit losses have been recognised (2023: Rnil).
Sleep Science Cape Town RF (Pty) Ltd	Prime	No fixed terms of repayment.	There has been no notable increase in factors that would affect their ability to settle the loans. Management considers these loans recoverable and no expected credit losses have been recognised (2023: Rnil).
Impulse Biomedical (Pty) Ltd	Prime plus 1%	15 January 2025	Management considers these loans recoverable and no expected credit losses have been recognised.

9. Accounts Receivable, Prepayments and Student Fees Receivable

	2024 R'000	2023 R'000
Research receivables	92 036	109 215
Other trade receivables	67 115	108 538
Total trade receivables	159 151	217 753
Property deposits and guarantees	635	506
Prepayments	77 583	73 387
National Research Foundation (NRF) accrual	67 055	70 361
Sundry receivables	58 083	126 381
Accounts receivables and prepayments	362 507	488 388
Student fees receivable	487 700	352 491
	850 207	840 879

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

Sundry receivables consist largely of interest receivable amounting to R59.3 million (2023: R71.3 million).

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

Trade receivables

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

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



CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR 2024 continued

NOTES continued

9. Accounts Receivable, Prepayments and Student Fees Receivable continued

	Up to 30 days R'000	31 to 60 days R'000	61 to 90 days R'000	91 to 180 days R'000	181 days plus R'000	Total R'000
Net receivable: 31 December 2023	69 436	66 397	17 863	43 706	20 351	217 753
Gross trade receivables	70 544	68 979	18 383	44 383	29 566	231 855
Provision for expected losses	(1 108)	(2 582)	(520)	(677)	(9 215)	(14 102)
Expected loss rate	1.57%	3.74%	2.83%	1.53%	31.17%	6.08%

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

At year end, trade receivables at a nominal value of R14.1 million (2023: R14.1 million) were impaired and fully provided for. Movements in the provision for expected credit losses of trade receivables were as follows:

	2024 R'000	2023 R'000
Balance at 1 January	14 102	14 102
Charge for the year	—	—
Used	—	—
Balance at 31 December	14 102	14 102

Student fees receivable

The student fees receivable is net of the impairment provision. The rate of interest charged to students was a fixed rate of 1% (2023:1%) per month. This rate of interest is charged on prior year unpaid student fees and on current year outstanding student fees that are not paid by 30 June of the current year.

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

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

	2023 Fees R'000	2022 Fees R'000	2021 Fees R'000	2020 and Older Fees R'000	Total R'000
Net receivable: 31 December 2023	281 043	49 253	15 771	6 424	352 491
Gross student fees receivable	326 044	123 132	63 085	81 417	593 678
Provision for expected losses	(45 001)	(73 879)	(47 314)	(74 993)	(241 187)
Expected loss rate	13.80%	60.00%	75.00%	92.11%	40.63%

Due to the nature of its operations, the University tracks outstanding fees on an academic year basis. The University considers all prior years' outstanding fees as past due. The University anticipates that the majority of current year fees will be settled as part of the registration process for the 2025 academic year.

As at 31 December 2024, student receivables with a nominal value of R348.6 million (2023: R241.2 million) were impaired and fully provided for. The student fee receivable is grouped according to the year in which the fees were earned, in order to calculate the expected loss rate per grouping. Movements in the provision for expected credit losses of student fees receivables were as follows:

	2024 R'000	2023 R'000
Balance at 1 January	241 187	165 660
Charge for the year	107 873	75 527
Used	(502)	—
Balance at 31 December	348 558	241 187



CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR 2024 continued

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10. Cash at Bank and Cash Equivalents

	2024 R'000	2023 R'000
Cash at bank and on hand	396 956	392 957
Local short-term bank deposits	1 128 157	1 186 795
Balance at 31 December	1 525 113	1 579 752

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

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

		2024	2023
Standard Bank	Moody's	Baa3	Baa3
Absa Bank	Moody's	Baa3	Baa3
Grindrod Bank	GCR Ratings – an affiliate of Moody's	WD	A-

The weighted average effective interest rate on local short-term bank deposits was 8.92% (2023: 8.46%).

11. Deferred Revenue

11.1 Government Grants

	2024 R'000	2023 R'000
Total government grants at 1 January	929 928	891 484
Received during the year	38 316	103 687
Released to the Statement of Comprehensive Income	(35 777)	(65 243)
Total government grants at 31 December	932 467	929 928
Current portion of government grants at 31 December	39 000	20 583
Non-current portion of government grants at 31 December	893 467	909 345

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

11.2 Project Income

	2024 R'000	2023 R'000
Total project income at 1 January	300 378	177 046
Received during the year	263 860	244 614
Released to the Statement of Comprehensive Income	(244 615)	(121 282)
Total project income at 31 December	319 623	300 378
Current portion of project income at 31 December	319 623	300 378
Non-current portion of project income at 31 December	—	—

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

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

12. Employee Benefit Liabilities

	2024		
	Current R'000	Non-current R'000	Total R'000
Gratuity liability for academic staff	10 004	71 750	81 754
Leave liability for professional, administrative and support staff	114 560	130 138	244 698
Post-retirement medical aid benefit obligation	34 100	578 600	612 700
Performance-linked rewards liability	38 224	—	38 224
Total employee benefit liabilities	196 888	780 488	977 376
	2023		
	Current R'000	Non-current R'000	Total R'000
Gratuity liability for academic staff	11 720	85 815	97 535
Leave liability for professional, administrative and support staff	96 719	121 755	218 474
Post-retirement medical aid benefit obligation	29 800	519 500	549 300
Performance-linked rewards liability	39 927	—	39 927
Total employee benefit liabilities	178 166	727 070	905 236

CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR 2024 continued

NOTES continued

12. Employee Benefit Liabilities continued

12.1 Gratuity Liability for Academic Staff

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

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

In addition, in order to fairly value the liability, management has assumed price inflation will be 6.4% (2023: 7.5%) per annum, while the discount rate that has been applied is 12.2% (2023: 13.4%).

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

	2024		2023	
	R'000 1%	R'000 -1%	R'000 1%	R'000 -1%
Change in liability - price inflation	9 873	(8 567)	4 885	(18 003)
Change in liability - discount rate	(8 567)	9 873	(18 003)	4 885

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

	2024 R'000	2023 R'000
Obligation at the start of the year	97 535	67 661
Movement through profit and loss	(14 107)	31 565
Leave paid out	(1 674)	(1 691)
Obligation at the end of the year	81 754	97 535

12.2 Leave Liability for Professional, Administrative and Support Staff

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

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

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

	2024 R'000	2023 R'000
Obligation at the start of the year	218 474	210 305
Movement through profit and loss	68 379	46 749
Leave paid out	(42 155)	(38 580)
Obligation at the end of the year	244 698	218 474

12.3 Post-Retirement Medical Aid Benefit Obligation

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

For the purpose of the valuation at 31 December the following key assumptions were made; discount rate 12.2% (2023: 13.4%); expected inflation on medical aid contributions of 8.4% (2023: 9.5%). Post retirement mortality is based on PA (90) ultimate mortality tables rated down three years (2023: three years).

It is assumed, in both the current and prior year, that 2.5% of present members will retire at each age from 55 to 59 and ages 61 and 62; and 15% of members will retire at age 60; and 10% of members at ages 63 and 64 will retire; with all the remaining members retiring at age 65. The expected average remaining working lives of the employees participating in the scheme is 17 years (2023: 17 years).

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

	2024		2023	
	R'000 1%	R'000 -1%	R'000 1%	R'000 -1%
Liability	75 000	(62 900)	67 100	(56 200)
Service cost	3 100	(2 400)	2 800	(2 300)
Interest cost	9 500	(8 000)	9 400	(7 800)



CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR 2024 continued

NOTES continued

12. Employee Benefit Liabilities continued

12.3 Post-Retirement Medical Aid Benefit Obligation continued

A 50-basis point change in the discount rate would have the following effect on the defined benefit obligation:

	2024		2023	
	R'000 5%	R'000 -5%	R'000 5%	R'000 -5%
Liability	(33 000)	36 100	(29 400)	32 300

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

	2024	2023	2022	2021	2020
Liability	612 700	549 300	577 700	563 700	484 400

The following payments are expected contributions to be made in the future years out of the defined benefit plan obligation, funded from the general operating budget :

	2024 R'000	2023 R'000
Within the next 12 months	34 100	29 800
Beyond 12 months	578 600	519 500
Total liability	612 700	549 300

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

	2024 R'000	2023 R'000
Expenses in the income statement	87 900	93 600
- Interest on obligation	73 500	74 500
- Current service cost	14 400	19 100
(Gains)/losses in the statement of other comprehensive income	6 200	(94 100)
- Actuarial (gains)/losses due to changes in experience	(1 000)	(48 000)
- Actuarial (gains)/losses due to changes in financial assumptions	7 200	(46 100)

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

	2024 R'000	2023 R'000
Defined benefit obligation at the start of the year	549 300	577 700
Interest on obligation	73 500	74 500
Current service cost	14 400	19 100
Actuarial (gains)/losses	6 200	(94 100)
Benefits paid in respect of funding obligations	(30 700)	(27 900)
Defined benefit obligation at the end of the year	612 700	549 300

12.4 Performance-linked rewards liability

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

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

	2024 R'000	2023 R'000
Obligation at the start of the year	39 927	—
Movement through profit and loss	38 224	39 927
Rewards paid out	(39 927)	—
Obligation at the end of the year	38 224	39 927

13. Accounts Payable and Accrued Liabilities

	2024 R'000	2023 R'000
Trade payables	204 334	294 258
Accrued expenses	86 877	117 550
National Research Foundation grant deposit	46 400	46 400
Payroll liabilities	118 152	109 300
Other payables	161 094	107 317
Balance at 31 December	616 857	674 825
Financial liabilities	573 420	643 168
Non-financial liabilities	43 437	31 657

Trade and other payables are non-interest-bearing and are normally settled on 30-day terms.



CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR 2024 continued

NOTES continued

13. Accounts Payable and Accrued Liabilities continued

The National Research Foundation (NRF) grant deposit is based on the expenditure claim rate against grants, awarded to grant holders at the University and is given to bridge the financing of NRF funded research projects. Regular expenditure claims ensure the preservation of the capital of the grant deposit and the interest earned from this investment supports the administration and management of NRF research funding by the University.

Other payables consist primarily of amounts due to external third parties, which operate through UCT but do not form part of UCT's activities. At year end the balance amounted to R151.7 million (2023: R105.7 million).

14. Subsidies and Grants

	Note	2024 R'000	2023 R'000
Subsidy for general purpose		1 772 377	1 771 009
State grants and contracts		358 511	331 549
State grants and contracts - release of deferred revenue	11	35 777	65 243
Total subsidies and grants		2 166 665	2 167 801

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

15. Interest and Dividends

	2024 R'000	2023 R'000
Interest earned on financial assets measured as at amortised cost		
Interest on cash at bank and deposits	127 924	93 215
Interest income on student fee receivables	89 198	80 314
Interest income on other receivables	8 694	2 050
	225 816	175 579
Interest earned on financial assets measured at fair value through profit and loss		
Interest on investments	386 751	401 140
	386 751	401 140
Total interest	612 567	576 719
Dividends earned in respect of investments	126 341	107 893
Total interest and dividends	738 908	684 612

16. Personnel Costs

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

	2023		
	Academic Professionals R'000	Other R'000	Total R'000
Wages and salaries	1 693 378	2 268 761	3 962 139
Termination benefits	48 899	69 447	118 346
UCT Retirement Fund provident fund costs	246 861	320 907	567 768
Other provident and pension fund costs	—	3 655	3 655
Post-retirement medical aid benefits	40 847	52 753	93 600
Total personnel costs	2 029 985	2 715 523	4 745 508

Average number of persons employed during the year:

	2024	2023
Full time	5 732	5 672
Part time	2 037	2 198
Students	1 713	1 756
Total	9 482	9 626

CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR 2024 continued

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17. Revenue from Contracts with Customers

	2024 R'000	2023 R'000
Tuition and other fee income	2 305 559	2 031 590
Gross tuition income	1 813 416	1 701 676
Gross residence income	693 101	621 152
Council bursaries	(61 896)	(171 187)
Restricted bursaries	(139 062)	(120 051)
Income from commercial research contracts	348 196	40 074
From contracts concluded in the current year	290 914	24 853
From contracts concluding within 12 months	24 151	7 108
From contracts concluding in more than 12 months	33 131	8 113
Sale of goods and services	1 211 782	1 213 675
Residence levies	19 453	17 499
Club and society subscriptions	6 166	5 173
Hotel revenue	190 150	171 093
Short course fees	270 127	192 667
Parking revenue	7 188	6 384
Rent received	24 298	21 580
Vacation accommodation	9 099	16 598
Sales revenue	39 399	20 486
Other income	645 902	762 195
Total revenue from contracts with customers	3 865 537	3 285 339
Over time	3 826 138	3 264 853
Point in time	39 399	20 486

Income from contracts which does not relate to commercial research contracts, as disclosed on the face of the Consolidated Statement of Comprehensive Income, amounted to R1.47 billion in 2024 (2023 R1.73 billion). This revenue relates to performance obligations or milestones which were fully fulfilled within the year. Refer to note 11.2 for revenue that has been deferred to future periods.



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

	2024			2023	
	Contract Assets R'000	Contract Liabilities R'000	Student deposits R'000	Contract Assets R'000	Contract Liabilities R'000
Opening balance	7 605	(49 587)	(149 937)	10 027	(64 158)
Amounts received	2 379	(85 810)	(140 381)	5 262	(20 241)
Amounts utilised	(1 419)	78 967	157 184	(7 684)	34 812
Closing balance	8 565	(56 430)	(133 134)	7 605	(49 587)

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

The student deposits reconciliation was not included in the prior year. The opening balance was R143m, with additional deposits of R157m and utilisations of R150m. These amounts are not material for disclosure purposes.

18. Other Operating Expenses

The following items are included in other operating expenses:

	2024 R'000	2023 R'000
Computer consumables	81 481	68 584
Consulting costs	315 440	351 350
Laboratory materials and services	221 000	190 677
Library acquisitions	133 662	125 271
Repairs and maintenance	244 433	296 014
Software costs	102 878	95 788
Water, electricity, rates and sewerage	297 254	279 293
Insurance costs	30 435	38 368
Safety and security services	68 353	67 430
Property leases	93 465	117 584
Travel and related costs	288 289	271 388
Hotel operating expenses	133 162	121 556
	2 009 852	2 023 303
Other expenses	727 642	729 862
Total other operating expenses	2 737 494	2 753 165

CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR 2024 continued

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19. Interest-Bearing Borrowings

	2024 R'000	2023 R'000
Non-current borrowings		
Development Bank of South Africa	53 244	61 122
Sunlyn	231	212
Total non-current borrowings	53 475	61 334
Current borrowings		
Development Bank of South Africa	7 878	7 878
Total borrowings	61 353	69 212

Interest-bearing loans are held to maturity at amortised cost.

The loan from the Development Bank of South Africa (DBSA) has been used to finance capital infrastructural development and is unsecured.

The first drawdown of R96 million is for a period of fifteen years and bears interest at a variable rate of 1-month JIBAR plus 2.2% per annum. The loan is repayable over a period of 168 monthly instalments, which commenced 31 October 2018, the last of which is due on 30 September 2032. The second drawdown of R14 million is for a period of thirteen and a half years and bears interest at a variable rate of 1-month JIBAR plus 2% per annum. The loan is repayable over a period of 162 monthly instalments, which commenced on 31 March 2019, the last of which is due on 30 September 2032.

The South African Reserve Bank (SARB) has indicated its intention to move away from the Johannesburg Interbank Average Rate (JIBAR) and to create an alternative reference rate for South Africa, namely the South African Overnight Index Average (ZARONIA). The transition from JIBAR to ZARONIA is expected in 2026. Management does not expect this to have a material impact.

The following debt covenants apply to the DBSA loan:

- » The debt service ratio shall be more than 1.25.
- » Written consent should be requested from DBSA before the University takes up any additional debt if the total debt to income ratio exceeds 50%.

	2024	2023
Debt service ratio	21.53	20.27
Total debt to income ratio	0.7%	0.8%

The above covenants are assessed annually.

At 31 December 2024, none of the DBSA loan covenants were in breach.

The loan from Sunlyn (entered into by the Sports Science Share Block) bears interest at prime plus 4.5% and is repayable in 2026.

Refer to the maturity analysis in note 23.6.

20. Leases

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

20.1 Right of Use Assets

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

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



CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR 2024 continued

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20. Leases continued

20.1 Right of Use Assets continued

	2023		
	Land, Buildings and Land Improvements R'000	Motor Vehicles R'000	Total R'000
Carrying amount at 1 January 2023	249 504	15 896	265 400
Cost			
Cost 1 January 2023	563 234	61 383	624 617
Additions	—	—	—
Impairment	—	—	—
Cost 31 December 2023	563 234	61 383	624 617
Accumulated depreciation			
Balance 1 January 2023	313 730	45 487	359 217
Depreciation	33 878	11 586	45 464
Balance 31 December 2023	347 608	57 073	404 681
Carrying amount at 31 December 2023	215 626	4 310	219 936

20.2 Lease Liabilities

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

	2024 R'000	2023 R'000
As at 1 January	194 812	233 559
Additions	4 829	—
Interest	14 767	17 801
Payments	(45 589)	(56 548)
Terminations	(2 513)	—
As at 31 December	166 306	194 812
Non-current portion	132 708	171 027
Current portion	33 598	23 785

The maturity analysis of lease liabilities is disclosed in Note 23.6.

20.3 Amounts recognised in profit and loss

The following are the amounts recognised in profit or loss relating to leases:

	2024 R'000	2023 R'000
Income from subleasing right-of-use assets	(106)	(110)
Depreciation expense of right-of-use assets	33 537	45 464
Interest expense on lease liabilities	14 767	17 801
Expense relating to short-term leases	178 401	117 584
Expense relating to leases of low-value assets	2 338	2 258
Total amount recognised in profit or loss	228 937	182 997

20.4 Extension and termination options

The University has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the University's business needs. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised (see Note 3.1.4).

Set out below are the undiscounted potential future rental payments relating to periods following the exercise date of extension and termination options that are not included in the lease term:

	2024		
	Within 5 years R'000	More than 5 years R'000	Total R'000
Extension options expected not to be exercised	—	3 483 819	3 483 819
	2023		
	Within 5 years R'000	More than 5 years R'000	Total R'000
Extension options expected not to be exercised	—	3 483 819	3 483 819



CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR 2024 continued

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21. Bursaries, financial aid and scholarships

21.1 UCT expenses

	2024			2023		
	Under-graduate R'000	Post-graduate R'000	Total R'000	Under-graduate R'000	Post-graduate R'000	Total R'000
Council-Controlled Unrestricted	29 292	74 241	103 533	170 295	84 666	254 961
Specifically-Funded Activities Restricted	88 480	366 849	455 329	78 992	327 443	406 435
Total	117 772	441 090	558 862	249 287	412 109	661 396

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

	2024			2023		
	Under-graduate R'000	Post-graduate R'000	Total R'000	Under-graduate R'000	Post-graduate R'000	Total R'000
Offset against tuition income	80 622	120 336	200 958	174 940	116 298	291 238
Financial aid and scholarship expenses	37 150	320 754	357 904	74 347	295 811	370 158
Total	117 772	441 090	558 862	249 287	412 109	661 396

21.2 External bursaries, financial aid and scholarships

Relating to bursaries, financial aid and scholarships awarded to students where UCT acts as an agent between the external donor and the student.

	2024			2023		
	Under-graduate R'000	Post-graduate R'000	Total R'000	Under-graduate R'000	Post-graduate R'000	Total R'000
National Student Financial Aid Scheme (NSFAS)	711 257	—	711 257	655 932	—	655 932
Other external donors	383 458	1 820	385 278	360 111	13 059	373 170
Total	1 094 715	1 820	1 096 535	1 016 043	13 059	1 029 102



CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR 2024 continued

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22. Transfers

22.1 Transfers in the Consolidated Statement of Comprehensive Income

	2024			Total R'000
	Council-Controlled Unrestricted R'000	Specifically-Funded Activities Restricted R'000	Student and Staff Housing Restricted R'000	
Investment of insurance payout	(217 026)	217 026	—	—
Research levies	77 041	(77 041)	—	—
Transfers of project costs	38 725	(37 211)	(1 514)	—
Transfer required due to IFRS 15 treatment of bursaries	75 995	(139 062)	63 067	—
Total	(25 265)	(36 288)	61 553	—
	2023			Total R'000
	Council-Controlled Unrestricted R'000	Specifically-Funded Activities Restricted R'000	Student and Staff Housing Restricted R'000	
Research levies	68 348	(68 348)	—	—
Transfers of project costs	(17 953)	26 620	(8 667)	—
Transfer required due to IFRS 15 treatment of bursaries	(23 792)	(120 052)	143 844	—
Total	26 603	(161 780)	135 177	—

The transfer relating to the IFRS 15: Revenue from Contracts with Customers treatment of bursaries is necessary as the standard requires that bursaries that offset tuition/housing costs be offset against tuition/housing income, and not be disclosed as expenses. However, as all tuition income is Council-controlled and all housing income is Student and Staff Housing Restricted, the portion of specifically-funded activities' bursaries that are offset against tuition/housing income represents a transfer of expenses from specifically-funded activities to Council-controlled and Student and Staff Housing Restricted, and this transfer incorporates this impact.

22.2 Transfers in the Consolidated Statement of Changes in Fund Balances

	2024			
	Endowed Funds R'000	Education and General R'000	Council-Controlled R'000	Total R'000
Transfer of UCT Foundation surplus	557 460	(557 460)	—	—
Transfer of endowed interest related to Council activities	—	(32 750)	32 750	—
Total	557 460	(590 210)	32 750	—
	2023			
	Endowed Funds R'000	Education and General R'000	Council-Controlled R'000	Total R'000
Transfer of UCT Foundation surplus	652 488	(652 488)	—	—
Transfer of endowed interest related to Council activities	—	(33 377)	33 377	—
Total	652 488	(685 865)	33 377	—

23. Financial Risk Management Objectives and Policies

The University's principal financial instruments comprise equities and debt instruments measured at fair value through profit or loss, accounts receivables, student fee receivables, loans receivable, cash and cash equivalents, accounts payable, interest-bearing borrowings and accrued liabilities. The University manages a substantial portfolio of financial assets with a long-term view to growing the portfolio in order to provide financial stability and support for new initiatives and strategic choices.

The University may enter into derivative transactions. The University's portfolio managers make limited use of futures and option contracts for hedging purposes only to manage the equity exposure flexibly and cost effectively. This is done in order to achieve desired equity exposures. Forward exchange contracts may be entered into to mitigate risks relating to transactional currency exposures.

The main risks arising from the University's financial instruments are market, credit and liquidity risks. The Council, through its Finance and Joint Investment Committees, reviews and agrees policies for managing each of these risks which are summarised below.

CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR 2024 continued

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23. Financial Risk Management Objectives and Policies continued

23.1 Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: price, currency and interest rate risk.

The University's exposure to market risk relates primarily to its investments which are measured at fair value through profit or loss. These financial assets are invested in terms of a considered strategy adopted by the University Council and the Board of Trustees of the UCT Foundation, advised by the Joint Investment Committee. The strategy takes into account the risk profile of the individual endowed funds and allocates investments to appropriate asset classes. Portfolios are then allocated to selected portfolio managers who operate under defined mandates. The investment decisions made and performances of these managers are closely monitored by the Joint Investment Committee.

The Joint Investment Committee comprises trustees of the Foundation, members of the University's Council and external members with specific expertise relating to investments. The Joint Investment Committee meets quarterly and receives reports from investment managers on a cyclical basis.

In addition, the Joint Investment Committee has employed the services of an actuarial firm, Sukha & Associates, who monitor the performance of the portfolio managers, both on a qualitative and quantitative basis, and who also report quarterly to the Joint Investment Committee. These reports are also distributed to the Foundation trustees. Internal checks are performed regarding the income received and the purchase and sale of investments as reflected on the portfolio statements.



23.2 Price Risk

The following table demonstrates the sensitivity of the University's financial assets that are subject to price risk to a reasonable possible change in market values, with all other variables held constant. Refer to note 6 for the fair values of the various investment types.

Impact of these variances on surplus or deficit

All amounts in R millions	10%	5%	1%	-5%	-10%	-20%	-30%
At 31 December 2024							
Local equities	272.0	136.0	27.2	(136.0)	(272.0)	(544.0)	(816.0)
Local mutual funds	29.3	14.7	2.9	(14.7)	(29.3)	(58.7)	(88.0)
Local collective investment schemes	139.8	69.9	14.0	(69.9)	(139.8)	(279.7)	(419.5)
Local capital markets	233.4	116.7	23.3	(116.7)	(233.4)	(466.8)	(700.2)
Local unlisted equity investments	10.8	5.4	1.1	(5.4)	(10.8)	(21.6)	(32.5)
International mutual funds	89.5	44.8	9.0	(44.8)	(89.5)	(179.0)	(268.5)
International collective investment schemes	200.9	100.5	20.1	(100.5)	(200.9)	(401.9)	(602.8)
Total	975.7	488.0	97.6	(488.0)	(975.7)	(1 951.7)	(2 927.5)
At 31 December 2023							
Local equities	237.3	118.6	23.7	(118.6)	(237.3)	(474.5)	(711.8)
Local mutual funds	21.9	10.9	2.2	(10.9)	(21.9)	(43.7)	(65.6)
Local collective investment schemes	127.8	63.9	12.8	(63.9)	(127.8)	(255.6)	(383.4)
Local capital markets	218	109	21.8	(109.0)	(218.0)	(436.1)	(654.1)
Local unlisted equity investments	6.4	3.2	0.6	(3.2)	(6.4)	(12.9)	(19.3)
International mutual funds	85.9	43	8.6	(43.0)	(85.9)	(171.8)	(257.7)
International collective investment schemes	190.4	95.2	19	(95.2)	(190.4)	(380.7)	(571.1)
Total	887.7	443.8	88.7	(443.8)	(887.7)	(1 775.3)	(2 663.0)



CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR 2024 continued

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23. Financial Risk Management Objectives and Policies continued

23.3 Interest Rate Risk

The University has a number of receivables (i.e. student fees) that are exposed to interest rate risk. For the 2024 year, students were charged interest at a fixed rate of 1.0% per month (2023: 1.0%).

The University holds a substantial amount of interest-bearing investments and interest earning bank deposits. Interest risks relating to the University's investments are managed and monitored by the Joint Investment Committee in the same manner as outlined above.

The following tables demonstrate the sensitivity of the University's financial instruments that are subject to interest rate risk to a reasonable possible change in interest rates, with all other variables held constant. Refer to notes 23.7 and 6 for the fair values of the receivables.

All amounts in R millions	Impact of USD variances on surplus or deficit						
	Interest rate changes in basis points (BP)						
	+200 BP	+100 BP	+50 BP	-50 BP	-100 BP	-200 BP	-300 BP
At 31 December 2024							
Interest-bearing collective investment schemes and bonds	114.8	57.4	28.7	(28.7)	(57.4)	(114.8)	(172.2)
Money market and call deposits	13.3	6.6	3.3	(3.3)	(6.6)	(13.3)	(19.9)
Cash and cash equivalents	30.5	15.3	7.6	(7.6)	(15.3)	(30.5)	(45.8)
Interest-bearing loans receivable	0.7	0.4	0.2	(0.2)	(0.4)	(0.7)	(1.1)
Interest-bearing borrowings	(1.2)	(0.6)	(0.3)	0.3	0.6	1.2	1.8
Lease liabilities	(3.3)	(1.7)	(0.8)	0.8	1.7	3.3	5.0
Total	154.8	77.4	38.7	(38.7)	(77.4)	(154.8)	(232.2)
At 31 December 2023							
Interest-bearing collective investment schemes and bonds	107.2	53.6	26.8	(26.8)	(53.6)	(107.2)	(160.9)
Money market and call deposits	15.5	7.7	3.9	(3.9)	(7.7)	(15.5)	(23.2)
Cash and cash equivalents	31.6	15.8	7.9	(7.9)	(15.8)	(31.6)	(47.4)
Interest-bearing borrowings	(1.4)	(0.7)	(0.3)	0.3	0.7	1.4	2.1
Lease liabilities	(3.9)	(1.9)	(1.0)	1.0	1.9	3.9	5.8
Total	149.0	74.5	37.3	(37.3)	(74.5)	(149.0)	(223.6)

23.4 Foreign Currency Risk

In addition to the market price risk exposure as disclosed above, the University holds instruments which are exposed to foreign currency risk. Refer to note 6 for the fair values of the various investment types. The table below presents the sensitivity of the embedded risk included in these financial instruments:

All amounts in R millions	Impact of USD variances on surplus or deficit						
	Movement in foreign exchange rate (USD/ZAR)						
	20%	10%	5%	-5%	-10%	-20%	-30%
At 31 December 2024							
International mutual funds	179.0	89.5	44.8	(44.8)	(89.5)	(179.0)	(268.5)
International collective investment schemes	401.9	200.9	100.5	(100.5)	(200.9)	(401.9)	(602.8)
Trade receivables	15.6	7.8	3.9	(3.9)	(7.8)	(15.6)	(23.4)
Total	596.5	298.2	149.2	(149.2)	(298.2)	(596.5)	(894.7)
At 31 December 2023							
International mutual funds	171.8	85.9	43	(43.0)	(85.9)	(171.8)	(257.7)
International collective investment schemes	380.7	190.4	95.2	(95.2)	(190.4)	(380.7)	(571.1)
Trade receivables	24.3	12.1	6.1	(6.1)	(12.1)	(24.3)	(36.4)
Total	576.8	288.4	144.3	(144.3)	(288.4)	(576.8)	(865.2)



CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR 2024 continued

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23. Financial Risk Management Objectives and Policies continued

23.5 Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Trade receivables

The University trades only with recognised, creditworthy third parties. It is the University's policy that all customers who wish to trade on credit terms are subject to random credit verification procedures.

In addition, receivable balances are monitored on an ongoing basis with the result that the University's exposure to bad debts is not significant, and there is no significant concentration of credit risk at year end. At year end the maximum exposure is R159.2 million (2023: R217.8 million), which reflects the amount after the recognition of the provision for expected credit losses. Refer note 9 for further details.

Student fees receivables

The University has stringent policies with respect to not allowing students with outstanding fee balances to either graduate or to register for the new academic year, subject to certain concessions. The outstanding fees balance at year end is widely spread amongst numerous students indicating no particular concentration of credit risk. A significant credit risk is presumed if a student is overdue and has completed their studies or has deregistered. At year end the maximum exposure to student fees is R487.7 million (2023: R352.5 million), after the current year expected credit losses provision. Refer note 9 for further details.

Student loans receivables

UCT is registered as a Development Credit Provider (NCRCP15558) and the University's student loans qualify as developmental credit agreements in terms of the National Credit Act. As a Development Credit Provider, UCT is exempt from affordability assessments. However, the Undergraduate Student Funding Committee has developed and approved a UCT Student Loan Policy which outlines the University's lending criteria, which requires that the Student Financial Aid Office conduct affordability assessments for new loan applications to avoid over-indebting the student. At year end the maximum exposure is R50.9 million (2023: R38.2 million). Refer note 27 for further details.

Other financial assets

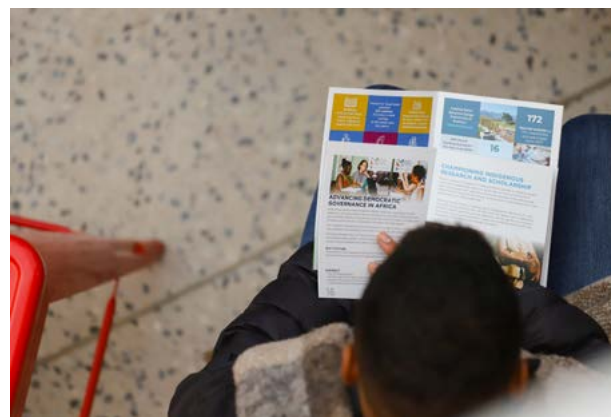
With respect to credit risk arising from the other financial assets of the University, which comprise loans receivable, cash and cash equivalents, debt instruments which are measured at fair value through profit or loss which comprise government and corporate bonds. The University's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments R3.9 billion (2023: R3.8 billion). The University places cash and cash deposits only with major financial institutions with good credit ratings.

23.6 Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The timing and nature of the University's cash inflows and outflows are such that liquidity problems are unlikely to arise. Furthermore, the University has access to funds through either its holding of short-term bank deposits or the unendowed investments portfolio in the event that any unforeseen events occur. The cash flow position is monitored by management on a weekly basis by means of a cash flow statement.

The table below summarises the maturity profile of the University's financial liabilities at 31 December based on contractual undiscounted payments.

All amounts in R'000	Note	On demand	1 to 12 months	1 to 5 years	More than 5 years	Total
At 31 December 2024						
Trade and other payables	13	—	573 420	—	—	573 420
Interest-bearing borrowings	19	—	13 746	46 338	24 691	84 775
Lease liabilities	20	—	52 007	32 539	498 732	583 278
Total		—	639 173	78 877	523 423	1 241 473
At 31 December 2023						
Trade and other payables	13	—	643 168	—	—	643 168
Interest-bearing borrowings	19	—	14 744	50 705	35 515	100 964
Student deposits		149 937	—	—	—	149 937
Lease liabilities	20	—	47 527	76 502	500 670	624 699
Total		149 937	705 439	127 207	536 185	1 518 768



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23. Financial Risk Management Objectives and Policies continued

23.7 Fair Values

Set out below is a comparison by category of carrying amounts and fair values of all of the University's financial instruments.

	Note	Fair Value		Carrying Value	
		2024 R'000	2023 R'000	2024 R'000	2023 R'000
Financial Assets					
Cash and cash equivalents	10	1 525 113	1 579 752	1 525 113	1 579 752
Financial instruments at fair value through profit or loss	6	10 423 336	9 651 396	10 423 336	9 651 396
Account receivables	9	284 288	414 495	284 288	414 495
Student fees receivable	9	487 700	352 491	487 700	352 491
Loan receivables	8	36 299	33 178	36 299	33 178
Student loans receivable	27	50 931	38 191	50 931	38 191
Financial liabilities					
Accounts payable and accrued liabilities	13	573 419	643 168	573 419	643 168
Interest-bearing borrowings	19	61 353	69 212	61 353	69 212

Management assessed that carrying amounts of cash and cash equivalents, trade receivables, trade payables and other current liabilities approximate their fair values largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the price that would be received to sell an asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date.

Market values have been used to determine the fair value of financial instruments at fair value through profit or loss. Fair value of the unquoted ordinary shares has been estimated using recent equity transactions. The valuation requires management to make certain assumptions about the model inputs, including forecast cash flows, the discount rate, credit risk and volatility. The probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value for these unquoted equity investments.

23.8 Capital Management

The capital of the University comprises both restricted funds designated for specific purposes and unrestricted funds, being funds that can be employed by Council at its discretion.

The University has a healthy relationship of reserves to assets, however it must be remembered that much of the asset base is held in designated investments and in land and buildings which has restricted alienability.

The University's policy is to apply conservative financing. Internal loans are used for managerial purposes at a rate appropriate to the inherent risk. Debt is avoided but, where utilised, the policy is to settle in as short a period as possible, not exceeding 10 years, except in exceptional circumstances.

In any event, the operations need to generate a sufficient surplus to meet both the interest on the debt and the capital repayments. This policy is consistent with that adopted in previous years.

23.9 Change in Liabilities Arising from Financing Activities

	2024		
	Long-term loans R'000	Lease liabilities R'000	Total R'000
Balance as at 1 January	69 212	194 812	264 024
Additions	—	4 829	4 829
Interest	6 827	14 767	21 594
Repayments	(14 686)	(45 589)	(60 275)
Capital	(7 859)	(30 822)	(38 681)
Interest	(6 827)	(14 767)	(21 594)
Terminations	—	(2 513)	(2 513)
Balance as at 31 December	61 353	166 306	227 659
	2023		
	Long-term loans R'000	Lease liabilities R'000	Total R'000
Balance as at 1 January	77 306	233 559	310 865
Interest	7 377	17 801	25 178
Repayments	(15 471)	(56 548)	(72 019)
Capital	(8 094)	(38 747)	(46 841)
Interest	(7 377)	(17 801)	(25 178)
Balance as at 31 December	69 212	194 812	264 024



CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR 2024 continued

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24. Commitments

24.1 Capital Commitments

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

	2024		Total R'000
	Contracted (purchase order raised) R'000	Approved but not contracted for R'000	
Nelson Mandela Memorial and School of Public Governance	207	7 591	7 798
George Student Learning Centre and Student Accommodation	1 896	337	2 233
ARISE Building	1 145	3 756	4 901
Rochester House upgrade	19	48 934	48 953
Clarendon House re-instatement	345	9 441	9 786
All Africa House refurbishment	—	13 332	13 332
Water sustainability project	1 817	36 464	38 281
Data Centre construction	2 282	19 732	22 014
ICT network renewal	74 882	3	74 885
ICT Upper Campus data centre refurbishment	579	974	1 553
ICT storage architecture renewal	—	926	926
Total	83 172	141 490	224 662
	2023		Total R'000
	Contracted (purchase order raised) R'000	Approved but not contracted for R'000	
Water sustainability project	5 393	44 355	49 748
Upper Campus parking initiative	—	2 041	2 041
Data Centre construction	2 181	28 420	30 601
ICT network renewal	161	—	161
ICT Upper Campus data centre refurbishment	1 532	1 081	2 613
ICT storage architecture renewal	—	3 596	3 596
Total	9 267	79 493	88 760

One of the University's subsidiaries, the UCT Foundation, is committed to future investments of R77.4 million (2023: R28.6 million) in various investment portfolios, when called upon to do so by the fund managers.

These commitments will be funded in terms of the University's Capital Management Policy as outlined in note 23.8 above, utilising current resources in the first instance. The balance of the required funding will be met from both public and private sectors, including the use of the R932.5 million (2023: R929.9 million) of Government grants reflected as deferred revenue in note 11.

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

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

	2024 Photocopy machines R'000	2023 Photocopy machines R'000
Within 1 year	2 248	2 438
1 to 2 years	1 196	1 545
2 to 3 years	276	600
3 to 4 years	18	26
More than 5 years	—	18
Total	3 738	4 627

24.3 Operating Lease Commitments – University as Lessor

The University has entered into non-cancellable commercial property leases. These non-cancellable leases have remaining terms of between 1 and 6 years. All leases include a clause to enable upward revision of the rental charge on an annual basis according to prevailing market conditions. The future undiscounted lease payments are as follows:

	2024 R'000	2023 R'000
Within 1 year	5 310	5 204
1 to 2 years	1 672	4 903
2 to 3 years	1 217	1 410
3 to 4 years	1 020	908
4 to 5 years	874	633
More than 5 years	77	504
Total	10 170	13 562

CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR 2024 continued

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25. Cash Generated From Operations

Reconciliation of net surplus to cash generated from operations:

Note	2024 R'000	2023 R'000
Surplus for the year	851 981	1 039 701
Adjusted for:		
Depreciation	317 029	309 548
Release of deferred revenue	(35 777)	(65 243)
Movement in employee benefits	65 940	143 670
(Profit)/loss on sale of property, plant and equipment	7 927	4 809
Investment income - interest	(564 567)	(576 719)
Investment income - dividends	(126 341)	(107 893)
Finance costs	22 052	25 607
Fair value movement on fair value through profit or loss financial instruments	(703 115)	(697 336)
Income/(loss) from associate	(2 785)	1 497
Changes in working capital		
(Increase)/decrease in accounts receivable, student fees receivable, student loans receivable, loans receivable and contract assets	(27 181)	(37 763)
(Increase)/decrease in inventories	(7)	99
Increase/(decrease) in accounts payable, accrued liabilities, project income and deposits	(48 682)	177 967
Cash generated from operations	(243 526)	217 944



26. Remuneration of Key Management

The following disclosure, as required by the Minister of Higher Education and Training, relates to compensation paid to members of the University's executive management team. Remuneration is based on the annualised cost of employment to the University and comprises total cost to the University.

Executive Management Team During 2024

Name	Job Title	Annualised salary for job R'000	Amount paid or accrued for job R'000	Performance bonus R'000	Acting allowance* R'000	Total for other services R'000
Professor M Moshabela	Vice-Chancellor Appointment effective 01.08.2024	3 978	1 658	—	—	731
Emeritus Professor B Reddy	Vice-Chancellor <i>Interim</i> 01.01.2024 to 31.07.2024	4 167	2 384	—	—	—
	Special Advisor to the Vice-Chancellor 01.08.2024 to 31.10.2024	1 563	391	—	—	—
Professor J Murugan	Deputy Vice-Chancellor: Research & Internationalisation	1 590	1 590	—	1 227	—
Professor E Ramugondo	Deputy Vice-Chancellor: Transformation	2 836	2 836	—	—	—
M Parker	Executive Director: Properties & Services Acting Chief Operating Officer	2 488	2 488	295	589	—

CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR 2024 continued

NOTES continued

26. Remuneration of Key Management continued

Executive Management Team During 2024 continued

Name	Job Title	Annualised salary for job R'000	Amount paid or accrued for job R'000	Performance bonus R'000	Acting allowance* R'000	Total for other services R'000
Emeritus Professor L Ronnie	Acting Deputy Vice-Chancellor: Teaching & Learning 17.07.2023-31.12.2023	2 937	2 883	227	—	331
R Van Huyssteen	Executive Director: Information and Communication Technology Services	2 413	2 413	126	—	—
R Pillay	Registrar	2 413	2 413	378	—	—
N Brey	Acting Executive Director: HR 01.08.2024 to 31.10.2024	1 498	374	—	240	—
	Director: Analytics, Risk, Systems, Payroll & Admin 01.01.2024 to 30.09.2024	1 498	1 123	109	—	—
Advocate B Mapara	Acting Executive Director: HR 01.11.2024-31.12.2024	2 078	346	—	112	—
	Director: Employee Relations	2 079	1 732	59	—	—

Name	Job Title	Annualised salary for job R'000	Amount paid or accrued for job R'000	Performance bonus R'000	Acting allowance* R'000	Total for other services R'000
E Msengana-Bam	Executive Director: Communication and Marketing Department 01.09.2024 to 31.12.2024	2 142	714	—	—	—
	Head: Alumni Relations 01.01.2024 to 31.08.2024	1 194	796	—	38	—
Dr L Mtwisha	Executive Director: Research	2 413	2 413	126	—	—
S Archer	Executive Director: Development & Alumni Department	2 413	2 413	126	—	—
Associate Professor L Green-Thompson	Dean: Faculty of Health Sciences	3 380	3 380	—	—	—
U Satgoor	Executive Director: Libraries	2 413	2 413	76	—	—
V Motholo	Chief Financial Officer	2 413	2 413	—	—	—
Dr CSM Duggan	Director: Graduate School of Business	2 775	2 775	—	—	—
P Mgolombane	Executive Director: Department of Student Affairs	2 413	2 413	—	—	—

CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR 2024 continued

NOTES continued

26. Remuneration of Key Management continued

Executive Management Team During 2024 continued

Name	Job Title	Annualised salary for job R'000	Amount paid or accrued for job R'000	Performance bonus R'000	Acting allowance* R'000	Total for other services R'000
Associate Professor K Behari-Leak	Dean: Centre for Higher Education Development	2 232	2 232	—	—	—
Professor D Chirwa	Dean: Faculty of Law	2 413	2 413	126	—	—
Professor A Lewis	Dean: Faculty of Engineering & the Built Environment	2 594	2 594	190	—	213
Professor S Goodman	Dean: Commerce	2 594	2 594	135	—	—
Professor H Suleman	Dean: Faculty of Science	2 473	2 473	—	—	—
Professor S Kessi	Dean: Faculty of Humanities	2 594	2 594	190	—	—

* An acting allowance is awarded where an existing staff member is temporarily appointed in another position in an acting capacity.

** Included in the total for other services of R731 226 is R354 561 (2023: R81 448), being the deemed value of the house and vehicle provided to the Vice-Chancellor as part of his package.

Executive Management Team During 2023

Name	Job Title	Annualised salary for job R'000	Amount paid or accrued for job R'000	Performance bonus R'000	Acting allowance* R'000	Total for other services R'000
Emeritus Professor B Reddy	Vice-Chancellor <i>Interim</i> Appointment effective 14.03.2023	3 767	3 017	—	—	—
Professor R Phakeng	Vice-Chancellor 01.01.2023 to 31.03.2023	4 185	1 046	—	—	347**
Professor S Harrison	Deputy Vice-Chancellor: Research & Internationalisation	2 936	2 936	—	—	—
Professor E Ramugondo	Deputy Vice-Chancellor: Transformation	2 686	2 686	—	—	—
Dr R Morar	Chief Operating Officer 01.01.2023 to 31.07.2023	2 936	1 713	—	—	—
M Parker	Executive Director: Properties & Services (full year) Acting Chief Operating Officer Appointment effective 01.08.2023	2 356	2 356	274	232	—



CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR 2024 continued

NOTES continued

26. Remuneration of Key Management continued

Executive Management Team During 2023 continued

Name	Job Title	Annual-ised salary for job R'000	Amount paid or accrued for job R'000	Performance bonus R'000	Acting allowance* R'000	Total for other services R'000	Annual-ised salary for job R'000	Amount paid or accrued for job R'000	Performance bonus R'000	Acting allowance* R'000	Total for other services R'000		
Professor M Lange	Deputy Vice-Chancellor: Teaching & Learning 01.01.2023 to 31.03.2023	2 936	245	—	—	—	R Van Huyssteen	Executive Director: Information and Communication Technology Services	2 285	2 285	69	—	—
	Acting Director: ADP 01.02.2023 to 30.04.2023	1 233	308	—	—	—	R Pillay	Registrar	2 285	2 285	274	—	—
Professor H Kathard	Acting Deputy Vice-Chancellor: Teaching & Learning 01.01.2023 to 30.06.2023	1 504	752	—	568	—	M Hoosain	Executive Director: Human Resources 01.01.2023 to 31.01.2023	2 285	190	—	—	—
	Professor: Faculty of Health Sciences 01.07.2023 to 31.12.2023	1 504	752	—	—	—	B Ndaba	Acting Executive Director: Human Resources	1 560	1 560	—	417	—
Emeritus Professor L Ronnie	Acting Deputy Vice-Chancellor: Teaching & Learning 17.07.2023 to 31.12.2023	2 606	1 213	—	—	161	G Kruger	Executive Director: Communication and Marketing	2 285	1 904	—	—	—
	Senior Research Scholar 01.01.2023 to 16.07.2023	350	175	—	—	292	Dr L Mtwisha	Executive Director: Research	2 285	2 285	274	—	—
							S Archer	Executive Director: Development & Alumni Department	2 165	2 165	183	—	—
							Associate Professor L Green-Thompson	Dean: Faculty of Health Sciences	3 200	3 200	—	—	—
							U Satgoor	Executive Director: Libraries	2 285	2 285	—	—	—
							V Mtholo	Chief Financial Officer	2 285	2 285	69	—	—

CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR 2024 continued

NOTES continued

26. Remuneration of Key Management continued

Executive Management Team During 2023 continued

Name	Job Title	Annualised salary for job R'000	Amount paid or accrued for job R'000	Performance bonus R'000	Acting allowance* R'000	Total for other services R'000
Dr CSM Duggan	Director: Graduate School of Business	2 628	2 628	—	—	—
P Mgolombane	Executive Director: Department of Student Affairs	2 285	2 285	—	—	—
Associate Professor K Behari-Leak	Dean: Centre for Higher Education Development	2 054	2 054	—	—	—
Professor D Chirwa	Dean: Faculty of Law	2 285	2 285	137	—	—
Professor A Lewis	Dean: Faculty of Engineering & the Built Environment	2 457	2 457	197	—	160
Professor S Goodman	Dean: Commerce	2 414	2 414	74	—	—
Professor MF Ramutsindela	Dean: Faculty of Science 01.01.2023 to 30.06.2023	2 457	1 228	—	—	—
	Professor: Faculty of Science 01.07.2023 to 31.12.2023	1 504	752	—	—	—

Name	Job Title	Annualised salary for job R'000	Amount paid or accrued for job R'000	Performance bonus R'000	Acting allowance* R'000	Total for other services R'000
Professor P Woudt	Professor: Faculty of Science 01.01.2023 to 30.06.2023	1 504	752	—	—	1
	Acting Dean: Faculty of Science 01.07.2023 to 31.12.2023	1 504	752	—	390	—
Professor S Kessi	Dean: Faculty of Humanities	2 457	2 457	—	—	—

Other payments

2024

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



CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR 2024 continued

NOTES continued

26. Remuneration of Key Management continued

Other payments continued

2023

Name	Position held	Purpose/reason for payment	Amount R'000
Dr R Morar	Chief Operating Officer	Leave encashment upon resignation	350
Professor M Lange	Deputy Vice-chancellor: Teaching & Learning	Leave encashment upon resignation	155
G Kruger	Executive Director: Communication and Marketing	Leave encashment upon resignation	715
M Hoosain	Executive Director: HR	Leave encashment upon resignation	763
Professor R Phakeng	Vice-Chancellor	Leave encashment upon resignation	998
Professor M Lange	Deputy Vice-chancellor	Ex gratia payment	1 703
M Hoosain	Executive Director: HR	Incentivised early retirement payment	3 428
G Kruger	Executive Director: Communication and Marketing	Incentivised early retirement payment	2 285
Professor R Phakeng	Vice-Chancellor	Incentivised early retirement payment	12 205
Professor R Phakeng	Vice-Chancellor	Retention allowance	81
M Parker	Executive Director: Properties & Services	Retention allowance	431
R Pillay	Registrar	Retention allowance	503
B Ndaba	Acting Executive Director: Human Resources	Attraction allowance	222
V Mtholo	Chief Financial Officer	Attraction allowance	451
Professor S Goodman	Dean: Commerce	Retention allowance	301
Total			24 591

No remuneration is paid to members of Council for services as Council members, membership or attendance at meetings, nor is it the policy of the University to pay those whom it appoints as board members, trustees or directors of related or affiliated entities.

The following table represents the disclosure required in terms of IAS24: *Related Party Disclosures* in respect of compensation of key management:

	2024 R'000	2023 R'000
Short-term employee benefits	56 301	54 963
Post-employment benefit	8 359	8 855
Termination benefits	5 677	22 601
Total compensation paid to key management personnel	70 337	86 419

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

27. Student Loans Receivable

	2024 R'000	2023 R'000
Opening balance	38 191	15 181
Loans issued	12 560	22 687
Loans repaid	(370)	(220)
Interest charged	550	543
Closing balance	50 931	38 191
Non-current	21 010	32 340
Current	29 921	5 851

UCT registered as a National Credit Provider and commenced issuing student loans in 2022.

Market-related interest on these loans starts accruing once the student exits the University. There are no fixed repayment terms; loans are repayable once the student exits and starts earning an income. UCT uses a debt management provider to assess the appropriate repayment amounts to ensure that students are able to afford the monthly repayments once they have found employment. As these loans were first issued in 2022, there is insufficient data regarding collections to accurately determine a potential expected credit loss. The expected credit loss would be based on historical payment profiles, adjusted to reflect forward-looking information relating to macro-economic factors affecting the ability of students to settle the loans. Management continues to monitor the loans and payment patterns. At year end, management believes that this balance is recoverable and therefore no expected credit losses have been recognised at year end (2023: Rnil).

CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR 2024 continued

NOTES continued

28. Finance Costs

	2024 R'000	2023 R'000
Interest on Development Bank of South Africa loan	6 827	7 377
Interest on lease liabilities	14 767	17 801
Interest on overdraft	458	429
Total	22 052	25 607

29. Retirement Benefits

The University of Cape Town Retirement Fund is a defined provident contribution fund, of which the majority of permanent and long-term contract employees are members. The current year's contribution to the Fund for the benefit of employees was R600 million (2023: R568 million). The expense is disclosed in Note 16.

The Fund was formed on 1 January 1996, after the majority of employees had elected to transfer from the Associated Institutions Pension Fund, a defined benefit plan underwritten by the State.

30. Lessee Improvements

30.1 Groote Schuur Hospital

The Groote Schuur Hospital, located in Observatory, Cape Town, has been built on land owned by the University of Cape Town. The initial 99-year lease has less than 1 year left to run; management is currently negotiating with the Western Cape Provincial Public Works Department regarding renewal. Lease income on this property is nominal.

30.2 Pinewood Village

The Pinewood Village retirement complex, built in Pinelands, Cape Town has been erected on land owned by the University of Cape Town.

The initial lease of 99 years still has 66 years to run with a renewal option of a further 99 years.

In terms of the lease, ownership of the buildings will revert to the University of Cape Town at the end of the lease. A modest annual income is received from Pinewood Village.

31. Related Parties

The related party relationships of the University of Cape Town in terms of IAS24: *Related Party Disclosures* are as follows:

- » Subsidiary entities (refer Note 2.4);
 - » Associate entities (refer Note 7 and Note 8);
 - » Key management personnel, which comprises members of both Council and the University executive management team (refer Note 26); and
 - » National Government (refer Note 11).
- » The following related party transactions in respect of subsidiary entities occurred during the year under review, and were eliminated in the consolidated financial statements.

	2024 R'000	2023 R'000
UCT Foundation		
<i>Related Party Balances</i>		
Trade receivables	60 316	7 514
<i>Related Party Transactions</i>		
Grants received	187 104	158 267
Management fee received	6 175	5 065
Endowed funds transferred	(3 622)	(21 819)
University of Cape Town Lung Institute (Pty) Ltd		
<i>Related Party Balances</i>		
Trade receivables	140	518
Trade payables	(9 561)	(10 093)
<i>Related Party Transactions</i>		
Services rendered	18 074	11 884
Services received	(17 660)	(10 351)
Sports Science Share Block (Pty) Ltd		
<i>Related Party Balances</i>		
Loans to shareholder	33 046	33 046
<i>Related Party Transactions</i>		
Services received	(9 108)	(7 758)

CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR 2024 continued

NOTES continued

31. Related Parties continued

	2024 R'000	2023 R'000
University of Cape Town Foods Services (Pty) Ltd		
<i>Related Party Balances</i>		
Intercompany loan	42 389	62 617
Trade receivables	1	369
Trade payables	(17 029)	(3 025)
<i>Related Party Transactions</i>		
Interest received	4 254	4 772
Services received	(134 031)	(106 482)
Services rendered	5 000	774

The terms of the intercompany loans are as follows:

	Repayment terms	Interest
UCT Foundation	No fixed terms	None
Sports Science Share Block (Pty) Ltd	No fixed terms	None
University of Cape Town Foods Services (Pty) Ltd	Variable ¹	8.25%

	R'000
¹ First installment (January 2024)	1 500
Second annual installment	4 900
Subsequent installments at a 5% annual increase.	

Due to the nature of the University's operations and the composition of its Council, the Council takes particular care to avoid conflicts of interest, and has an explicit policy requiring disclosure and reporting. Any transaction with third parties in which any council member has a direct or fiduciary interest is subject to this policy. The Register of Direct and Fiduciary interests is updated at least annually.

32. Contingent Liabilities

The University faces various litigation claims, the outcome of which is uncertain. No provision in respect of any litigation claims have been recognised due to it not being probable that an outflow of resources will be required and as the estimates cannot be reliably determined.

33. Taxation

No taxation has been provided as the University is exempt from taxation in terms of Section 10(1) (cA)(i) of the Income Tax Act.

34. Events After the Reporting Date

On 7 February 2025, a USA Executive Order halted new Federal funding to South African institutions. UCT, having averaged R1.1 billion in USA Federal research funding annually over the past three years, conducted a risk assessment which estimated a potential funding loss of R437 million in 2025. Of the R437 million:

- » R172 million is attributable to confirmed project terminations or pauses
- » R265 million relates to projects pending renewal which have not yet been denied

Management, in partnership with Universities South Africa (USAf) and together with other affected South African universities, has submitted a formal and comprehensive funding proposal to National Treasury. This proposal is based on our detailed project-level data and is aimed at protecting critical research capacity, retaining staff and postgraduate fellows, and safeguarding national health priorities. The proposal is now under consideration by government stakeholders. The following additional steps have also been taken to address the risk:

1. Comprehensive assessment and impact modelling to assess the immediate, short- and long-term impacts of these funding suspensions.
2. Formation of a dedicated task team to develop tailored mitigation plans.
3. Diversifying funding sources by working proactively to reduce reliance on US Federal funding by identifying and securing alternative sources of support.

35. Going Concern

Management believe that the University has adequate financial resources to continue in operation for the foreseeable future and the annual financial statements have therefore been prepared on a going concern basis. Management have satisfied themselves that the University is in a sound financial position and are not aware of any new material changes, other than those detailed in note 34 above, that may adversely impact the University. Management are also not aware of any material non-compliance with statutory or regulatory requirements, or of any pending changes to legislation which may affect the University.

