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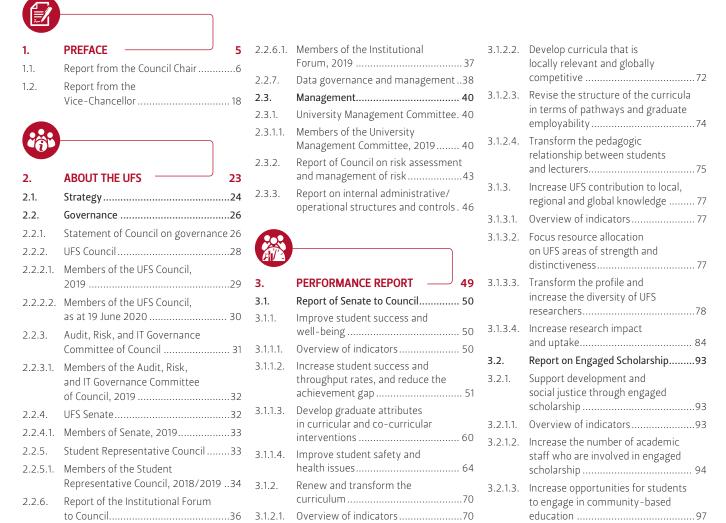
University of the Free State —

Annual Report

TO THE DEPARTMENT OF HIGHER EDUCATION AND TRAINING

2019







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PREFACE

The University of the Free State (UFS), with its everexpanding facilities and knowledge base, continues to present many opportunities for scholars to impact locally and globally.

1.1. Report from the Council Chair



Dr Willem Louw Chairperson: UFS Council

As for the past 115 years – operating from its critical location in the centre of South Africa, surrounded by largely rural communities where it has for more than a century made a significant impact in a wide variety of fields – the University of the Free State (UFS), with its ever-expanding facilities and knowledge base, continues to present many opportunities for scholars to impact locally and globally.

It is vital for any university to extend its focus beyond the regional and the national to the continental and the global, in order to fulfil its purpose. With a growing cohort of international students, an increased focus on internationalisation, continuing collaborations with esteemed academic partners from around the globe, plus its innovative research output, the UFS has established itself as an excellent global contributor to knowledge production and social development.

Our valuable collaborations extend to our donors, our partners in commerce and industry, and our alumni, with whom we continue to enjoy a productive relationship, culminating in valuable donations and bursaries that strengthen our financial sustainability.

In 2019, with our roadmap firmly in place (in the form of the UFS Strategic Plan, approved by Council in January 2018), the institution's focus was on redefining its purpose and striving for excellence in every field of operation. We continue to have a strong emphasis on transformation, with our comprehensive Integrated Transformation Plan (ITP) in the full throes of implementation and already yielding encouraging results. To this end, the ITP task

teams have been instrumental in reviewing the mandate of the Naming Committee, continuing with the process of relocating the MT Steyn statue, and implementing Project Care to reinforce the UFS transformation agenda.

The importance of good governance was once again emphasised during this period, and Council exercised its oversight role with full cognisance of its responsibility towards the broader community, and with the goal of long-term sustainability guiding every decision.

When it comes to defining its purpose, it is abundantly clear that for any higher education institution in South Africa today, this goes so much further than just the academic endeavour. Research and teaching ultimately focus on bringing about development, growth, and real improvement in the lives of the communities it serves.

Our wider purpose is also reflected in our graduate attributes, where we have supplemented an exclusive focus on academic excellence, with qualities such as critical thinking, ethical reasoning, entrepreneurship, and problemsolving. These are vital attributes to equip our graduates for an ever-changing world of work. The UFS has made good progress during 2019 in terms of the clarification of its graduate attributes and starting the implementation phase by integrating these attributes into the curriculum. This after the Senate approved a five-year institutional plan for the development and implementation of UFS graduate attributes.

In general, the UFS performed well in terms of its strategic goals during 2019. Positive results were achieved in the renewal and transformation of the curriculum, an increase in the university's contribution to local, regional, and global knowledge, development and social justice through engaged scholarship, improving student success and well-being, increasing the efficiency and effectiveness of governance and support systems, and achieving financial sustainability.

Ensuring the success of our students remains a prime priority for the UFS. Our wide variety of initiatives, ranging from various school intervention programmes, to language support, tutoring, academic advising and counselling services, bear testimony to our unwavering commitment to producing successful, well-equipped graduates who will ultimately make a difference in the South African society at large.

Thanks to the concerted efforts of UFS lecturers and academic support staff, the undergraduate throughput rate increased from 57,6% to 63,2% over the past year. It is also encouraging to note that students recognise the support provided by the university, as 72% of them reported that the UFS emphasised support for their overall well-being. This is an improvement from 69% in 2018. In the 2019 South African Surveys of Student Engagement, UFS undergraduate students consistently showed higher engagement scores than their counterparts from other universities when it came to indicators such as learning strategies, quality of interactions, and supportive environments. This serves as valuable vindication of UFS learning and teaching strategies.

When it comes to curriculum renewal and transformation, the employment of graduates is a key indicator of success. It is heartening to note that 60% of the 2019 graduating cohort had accepted job offers or were already working at the time of graduation, which is 20% above the 40% target set for 2019. In addition, the jobs of 54% of these graduates were directly related to their qualifications.

Being research-led is a key element of the UFS vision. In 2019, the university continued to support the development of black and female researchers in furthering their qualifications and gaining National Research Foundation (NRF) rating. To this end, the number of rated researchers from the designated groups (black, Asian, and coloured) increased from 14 in 2017, 20 in 2018, to 34 in 2019. The number of female researchers increased from 44 in 2017, 51 in 2018, to 62 in 2019. Even though this improvement is commendable, the university acknowledges that there is still much room for improvement in this regard and continues to invest in strategies to bring about change.

In 2018, the Council expressed interest in the development of values for the university as an integral part of the articulation of the Strategic Plan. A process to establish values for the university was initiated in 2019, which will ultimately lead to adopting a charter of ethical conduct that addresses statements on our values and which expresses our commitment to social justice. Similarly, the establishment of an ethos of care as an important undertaking for the university and its community was integral in demonstrating the university's purpose during 2019. The ultimate goal is to achieve a codification of care that enables the university to achieve its strategic goals in ways that are ethically desirable for stakeholders.

The UFS is committed to shaping its institutional culture to reflect diversity, inclusivity, and social justice. The first step in this process was the establishment of an Institutional Multi-stakeholder Group (IMG) in 2018, chaired by the Rector and Vice-Chancellor. This group fulfils a strategic institutional goal of promoting processes and practices that improve the current institutional culture. In 2019, this was done through solution-driven engagements with various structures within the university, and by contributing to institutional initiatives.

Being involved with this wonderful institution remains a privilege.

I would like to thank the executive management and student leaders and my fellow Council members for their continued commitment and support, as we all strive towards excellence and a greater fulfilment of our purpose with each passing year.

Dr Willem Louw

Chairperson: UFS Council

Strategic key performance indicators

< 5% under target OR < 10% over target

5% > 10% under target OR > 10% over target

> 10% under target

Table 1: Strategic key performance indicators 2019

	Strategic goal	Key performance indicator (KPI)	2018 audited values	2019 preliminary values¹	2019 targets	
i.	Improve student success and well-being	Black-white student achievement gap ²	11,5%	11,7%	7%	
ii.	Renew and transform the curriculum	Graduate employment ³	52%	60%	40%	
iii.	Increase UFS contribution to local, regional, and global knowledge	Rate of publication in international journals	85,9%	81,85%	72%	
iv.	Support development and social justice through engaged scholarship	Student participation in service-learning ⁴	59%	62%	60%	
٧.	Increase the efficiency and effectiveness of governance and support systems	Student representation in governance structures ⁵	33,3%	45,5%	75%	
vi.	Achieve financial sustainability	Share of income from contract research	11,77%	10,18%	11,5%	

^{1.} As on 16 April 2020.

^{2.} The difference between the average degree credit success rate of all undergraduate black students enrolled in the current year and the average degree credit success rate of all undergraduate white students enrolled in the current year, as per UFS HEMIS (Higher Education Management Information System) data. 'Black' includes African, Coloured and Indian/Asian.

^{3.} Share of graduates who report that they have already accepted a job offer at the time of graduation, as per the UFS Graduate Exit Survey.

^{4.} Share of undergraduate students who report that they have participated in a community-based project (service-learning), as per the UFS SASSE (South African Survey of Student Engagement).

^{5.} Share of Senate subcommittee meetings with student members that were attended by currently enrolled students in the current year, as per the relevant meeting minutes.

^{6.} Income from contracts for research (in ZAR) as a share of total third-stream income in a given year. Third-stream income includes all income other than state appropriations (subsidies and grants) and tuition and other fee income, as per the UFS annual consolidated financial statements.

Strategic key performance indicators

< 5% *under* target *OR* < 10% *over* target 5% > 10% under target OR > 10% over target

> 10% under target

Table 2: Enrolment plan indicators 2019

Enrolment plan table	Enrolment plan indicator (EPI)	2018 audited values	2019 preliminary values¹	2019 targets
1. Total headcount (HC)	First-time entering UG (FU)	8,992	7,722	8,900
enrolments by qualification groups	Total undergraduate (UG)	31,771	34,244	30,050
groups	Postgraduate (PG) below master's	3,772	3,467	4,900
	Master's	2,355	2,288	2,750
	Doctoral	986	1,031	1,050
	Total PG	7,113	6,786	8,700
	Occasional students	632	778	1,000
	TOTAL	39,516	41,808	39,750
2. Enrolment HC ratios	FU as % of total UG	28%	23%	30%
	UG as % of total	80%	82%	76%
	PG as % of total	18%	16%	22%
	Occasional as % of total	2%	2%	3%
3. Contact HC enrolments	UG diplomas and certificates	1,199	1,581	1,700
by qualification type	Advanced diploma	91	29	202
	UG degrees	27,077	28,924	22,598
	Total UG	28,367	30,534	24,500
	PG below master's	2,919	2,656	3,700
	Master's	2,355	2,288	2,750
	Doctoral	986	1,031	1,050
	Total PG	6,260	5,975	7,500
	Occasional students	559	708	750
	TOTAL	35,186	37,217	32,750
4. Distance HC enrolments	UG diplomas and certificates	2,958	3,384	3,500
by qualification type	Advanced diploma	81	110	200
	UG degrees	365	216	1,850
	Total UG	3,404	3,710	5,550
	PG below master's	853	811	1,200
	Master's	0	0	0
	Doctoral	0	0	0
	Total PG	853	811	1,200
	Occasional students	73	70	250
	TOTAL	4,330	4,591	7,000

Enrolment plan table	Enrolment plan indicator (EPI)	2018 audited values	2019 preliminary values¹	2019 targets
5. Total HC enrolments by	UG diplomas and certificates	4,157	4,965	5,200
qualification type	Advanced diploma	172	139	402
	UG degrees	27,442	29,140	24,448
	Total UG	31,771	34,244	30,050
	PG below master's	3,772	3,467	4,900
	Master's	2,355	2,288	2,750
	Doctoral	986	1,031	1,050
	Total PG	7,113	6,786	8,700
	Occasional students	632	778	1,000
	TOTAL	39,516	41,808	39,750
6. Contact full-time	Total UG	25,859.71	28,313.63	20,335
equivalent (FTE) enrolments by course level	PG below master's	1,948.08	1,955.55	2,997
enronnents by course level	Master's	1,027.91	1,050.69	963
	Doctoral	455.74	479.61	455
	Total PG	3,431.73	3,485.86	4,414
	TOTAL	29,291.44	31,799.49	24,749
7. Distance FTE enrolments	Total UG	1,546.05	1,578.37	3,774
by course level	PG below master's	625.75	602.25	852
	Master's	0.00	0.00	0
	Doctoral	0.00	0.00	0
	Total PG	625.75	602.25	852
	TOTAL	2,171.80	2,180.62	4,626
8. Total FTE enrolments by	Total UG	27,405.76	29,892.00	24,109
course level	PG below master's	2,573.83	2,557.80	3,849
	Master's	1,027.91	1,050.69	963
	Doctoral	455.74	479.61	455
	Total PG	4,057.48	4,088.11	5,266
	TOTAL	31,463.24	33,980.11	29,375
9. FTE enrolments to	Total UG	0.86	0.87	0.80
enrolment HC ratios by course level	PG below master's	0.68	0.74	0.79
Course level	Master's	0.44	0.46	0.35
	Doctoral	0.46	0.47	0.43
	Total PG	0.57	0.60	0.61
	TOTAL	0.80	0.81	0.74
10. Contact HC enrolments	Science, engineering, technology	10,716	10,140	11,957
by major field of study	Business/management	9,485	10,570	5,667
	Education	7,223	9,850	3,636
	Other humanities	7,762	6,658	11,490
	TOTAL	35,186	37,217	32,750

Enrolment plan table	Enrolment plan indicator (EPI)	2018 audited values	2019 preliminary values¹	2019 targets
11. Distance HC enrolments	Science, engineering, technology	88	1,251	27
by major field of study	Business/management	968	1,304	1,644
	Education	2,650	1,215	4,951
	Other humanities	624	821	379
	TOTAL	4,330	4,545	7,000
12. Total HC enrolments by	Science, engineering, technology	10,804	11,391	11,984
major field of study	Business/management	10,453	11,873	7,310
	Education	9,873	11,065	8,586
	Other humanities	8,386	7,479	11,869
	TOTAL	39,516	41,808	39,750
13. Proportion of total HC	Science, engineering, technology	27%	27%	30%
enrolments by major field of study	Business/management	26%	28%	18%
orstudy	Education	25%	26%	22%
	Other humanities	21%	18%	30%
	TOTAL	100%	100%	100%
14. Contact HC enrolments	African	26,542	29,348	21,943
by race group	Coloured	2,017	1,986	2,129
	Indian	363	348	328
	White	6,264	5,535	8,351
	TOTAL	35,186	37,217	32,750
15. Distance HC enrolments	African	3,228	3,638	4,830
by race group	Coloured	178	193	420
	Indian	225	178	350
	White	699	582	1,400
	TOTAL	4,330	4,591	7,000
16. Total HC enrolments by	African	29,770	32,986	26,773
race group	Coloured	2,195	2,179	2,549
	Indian	588	526	678
	White	6,963	6,117	9,751
	TOTAL	39,516	41,808	39,750
17. Proportion of total HC	African	75%	79%	67%
enrolments by race group	Coloured	6%	5%	6%
	Indian	1%	1%	2%
	White	18%	15%	25%
	TOTAL	100%	100%	100%
18. Contact HC enrolments	Female	21,150	22,492	19,558
by gender	Male	14,036	14,725	13,193
	TOTAL	35,186	37,217	32,750

Enrolment plan table	Enrolment plan indicator (EPI)	2018 audited values	2019 preliminary values¹	2019 targets
19. Distance HC enrolments by gender	Female	2,936	3,274	4,690
	Male	1,394	1,317	2,310
	TOTAL	4,330	4,591	7,000
20. Total HC enrolments by	Female	24,086	25,766	24,248
gender	Male	15,430	16,042	15,503
	TOTAL	39,516	41,808	39,750
21. Proportion of total HC	Female	61%	62%	61%
enrolments by gender	Male	39%	38%	39%
	TOTAL	100%	100%	100%
22. Contact FTE enrolments	Science, engineering, technology	8,222.20	8,642.65	8,662
by major field of study	Business/management	4,759.40	4,934.13	4,950
	Education	5,294.75	6,227.15	2,722
	Other humanities	11,015.09	11,995.55	8,415
	TOTAL	29,291.44	31,799.49	24,749
23. Distance FTE	Science, engineering, technology	11.09	7.94	185
enrolments by major field	Business/management	644.52	614.75	1,527
of study	Education	919.46	1,120.43	2,267
	Other humanities	596.73	437.51	648
	TOTAL	2,171.80	2,180.62	4,626
24. Total FTE enrolments by	Science, engineering, technology	8,233.29	8,650.59	8,847
major field of study	Business/management	5,403.92	5,548.88	6,476
	Education	6,214.20	7,347.58	4,989
	Other humanities	11,611.82	12,433.06	9,062
	TOTAL	31,463.24	33,980.11	29,375
25. Proportion of total FTE	Science, engineering, technology	26%	25%	30%
enrolments by major field of study	Business/management	17%	16%	22%
Orstudy	Education	20%	22%	17%
	Other humanities	37%	37%	31%
	TOTAL	100%	100%	100%
26. Total success rates:	Total UG	20,625.44	22,600.49	16,789.00
Contact FTE degree credits by course level	PG below master's	1,643.39	1,713.72	2,553
by course level	Master's	688.62	507.86	682
	Doctoral	279.01	201.45	340
	Total PG	2,611.02	2,423.03	3,575
	TOTAL	23,236.46	25,023.52	20,365

Enrolment plan table	Enrolment plan indicator (EPI)	2018 audited values	2019 preliminary values¹	2019 targets
27. Total success rates: Contact FTE degree credits	Science, engineering, technology	6,779.52	7,034.21	7,529
	Business/management	3,542.74	3,631.33	3,664
by field of study	Education	4,648.23	5,481.84	2,238
	Other humanities	8,265.97	8,876.13	6,934
	TOTAL	23,236.46	25,023.52	20,365
28. Total success rates:	Total UG	1,213.47	1,280.30	2,683
Distance FTE degree credits by course level	PG below master's	392.25	396.75	707
by course level	Master's	0.00	0.00	0
	Doctoral	0.00	0.00	0
	Total PG	392.25	396.75	707
	TOTAL	1,605.72	1,677.05	3,390
29. Total success rates:	Science, engineering, technology	9.45	6.24	143
Distance FTE degree credits	Business/management	400.42	405.13	1,033
by field of study	Education	694.36	893.03	1,731
	Other humanities	501.49	372.66	482
	TOTAL	1,605.72	1,677.05	3,390
30. Total success rates:	Total UG	21,838.91	23,880.79	19,472
Total FTE degree credits by course level	PG below master's	2,035.64	2,110.47	3,260
Course level	Master's	688.62	507.86	682
	Doctoral	279.01	201.45	340
	Total PG	3,003.27	2,819.78	4,283
	TOTAL	24,842.18	26,700.57	23,755
31. Total success rates:	Science, engineering, technology	6,788.97	7,040.45	7,626
Total FTE degree credits by major field of study	Business/management	3,943.16	4,036.45	4,775
Thajor field of Study	Education	5,342.59	6,374.87	4,054
	Other humanities	8,767.46	9,248.80	7,478
	TOTAL	24,842.18	26,700.57	23,932
32. Total success rates:	Total UG	80%	80%	81%
Total FTE degree credits divided by total FTE	PG below master's	79%	83%	85%
enrolments by course level	Master's	67%	48%	71%
,	Doctoral	61%	42%	75%
	Total PG	74%	69%	81%
	TOTAL	79%	79%	81%
33. Total success rates:	Science, engineering, technology	82%	81%	86%
Total FTE degree credits divided by total FTE	Business/management	73%	73%	74%
enrolments by major field	Education	86%	87%	81%
of study	Other humanities	76%	74%	83%
	TOTAL	79%	79%	81%

Enrolment plan table	Enrolment plan indicator (EPI)	2018 audited values	2019 preliminary values¹	2019 targets
34. Total graduate HC by	UG diplomas	1,677	2,040	1,300
qualification type	Advanced diploma	121	78	121
	UG degrees	3,614	3,832	5,134
	Total UG	5,412	5,950	6,555
	PG below master's	2,111	1,992	1,470
	Master's	610	531	1,238
	Doctoral	138	127	137
	TOTAL	8,271	8,600	9,399
35. Total graduate HC	Science, engineering, technology	2,535	2,636	3,384
by major field of study (unknown excluded)	Business/management	1,816	1,889	2,134
(unknown excluded)	Education	2,020	2,100	1,964
	Other humanities	1,900	1,975	1,917
	TOTAL	8,271	8,600	9,399
36. Total graduate HC as a	Total UG	17%	17%	22%
% of total HC enrolments	PG below master's	56%	57%	30%
	Master's	26%	23%	45%
	Doctoral	14%	12%	13%
	TOTAL	21%	21%	24%
37. Permanently appointed	Instruction/research professionals	973	948	954
staff HC by staff category	Executive/management professionals	110	118	96
	Support professionals	106	106	105
	Total professional staff	1,189	1,172	1,155
	Technical staff	38	40	44
	Non-professional administrative staff	1,230	1,274	861
	Crafts/trades staff	3	3	12
	Service staff	219	204	331
	Total non-professional staff	1,490	1,521	1,248
	TOTAL	2,679	2,693	2,403
38. All FTE staff by staff	Instruction/research professionals	1,202.00	1,104.52	1,281
category	Executive/management professionals	137.18	127.37	104
	Support professionals	148.26	121.69	177
	Total professional staff	1,487.44	1,353.58	1,561
	Technical staff	197.02	168.76	204
	Non-professional administrative staff	2,115.91	1,681.80	879
	Crafts/trades staff	4.00	2.50	19
	Service staff	338.93	213.21	414
	Total non-professional staff	2,655.86	2,066.27	1,517
	TOTAL	4,143.30	3,419.85	3,078

Enrolment plan table	Enrolment plan indicator (EPI)	2018 audited values	2019 preliminary values¹	2019 targets
39. Ratios of FTE staff to	Instruction/research professionals	1.24	1.17	1.34
permanently appointed	Executive/management professionals	1.25	1.08	1.07
staff HC by staff category	Support professionals	1.40	1.15	1.69
	Total professional staff	1.25	1.15	1.35
	Technical staff	5.18	4.22	4.62
	Non-professional administrative staff	1.72	1.32	1.02
	Crafts/trades staff	1.33	0.83	1.58
	Service staff	1.55	1.05	1.25
	Total non-professional staff	1.78	1.36	1.22
	TOTAL	1.55	1.27	1.28
40. Permanently appointed	Doctoral degree	455	465	434
instruction/ research staff	Master's degree	417	382	437
HC by highest qualification	Other	101	101	83
	TOTAL	973	948	954
41. Share of permanently	Doctoral degree	47%	49%	45%
appointed instruction/ research staff HC by	Master's degree	43%	40%	46%
highest qualification	Other	10%	11%	9%
	TOTAL	100%	100%	100%
42. Research outputs by	Publication units ⁷	992.73	1343.94	790
output source	Research master's units ⁸	317.20	329	328
	Doctoral graduates (unweighted)	138	127	137
	WEIGHTED TOTAL	1,723.93	1,971.02	1,528
43. Ratios of research	Publication units ⁷	1.02	1.42	0.83
outputs to permanently appointed instruction/	Research master's units ⁸	0.33	0.26	0.34
research staff HC by output	Doctoral graduates (unweighted)	0.14	0.13	0.14
source	WEIGHTED TOTAL	1.77	2.08	1.60
44. Ratio of FTE students to F	TE instruction/research staff	26.2	30.8	22.9

 ²⁰¹⁹ data as at 6 April 2020
 2018 data unaudited; estimate calculated as 52% of audited 2018 master's graduate headcount



1.2. Report from the Rector and Vice-Chancellor



Prof Francis Petersen
Rector and Vice-Chancellor: UFS

In 2019, our focus was on taking stock of whether we, as UFS leadership, were still on track in terms of fulfilling our mandate and delivering on what we set out to accomplish.

After the tumult brought about by the 2015–2017 #FeesMustFall movement, this introspection was vital. We had to ensure that the developments occurring in the wake of major shifts in the higher education landscape, were in line with our strategic vision and our core values as a research-led, student-centred and regionally-engaged university that contributes to development and social justice through the production of globally competitive graduates and knowledge.

It was a year that saw us continue in our drive to radically accelerate transformation in the core functions, institutional culture, and support structures of the UFS, as set out in our Integrated Transformation Plan (ITP), the Strategic Plan, and the Vice-Chancellor's Strategic Projects. After a thorough process of research, consultation, and planning, 2019 was to a great extent the year of implementation.

In line with our 2019 theme of 'excellence and purpose', we focused on critically evaluating whether we were living up to our motto of *Inspiring excellence*, *transforming lives* across all spheres of operation.

I am pleased to report that in the majority of cases we arrived at an affirmative conclusion. In the instances where we have not yet delivered, concrete plans are in place to work constructively towards success.

The institutional governance of the university is firmly established, with an excellent relationship between the rectorate and the UFS Council. All council committees are functioning well and operating according to their designated terms of reference. A governance project is currently led by our Registrar, Mr Nikile Ntsababa, to revise and/or update the remits of all Council and Senate committees, and to ensure that there is alignment between the faculty committees.

We have obtained critical alignment between the University Statute, the Institutional Rules, and the constitutions of other formal university structures.

In the portfolio of Teaching and Learning, we have made excellent progress in 2019 in the areas of student success, curriculum renewal, language policy, multilingualism, and our short learning programmes. The positive results reflected in this report show that our consistent focus on targeted teaching and learning interventions is bearing fruit – constructively contributing to the success of our students. One example of this success is that the retention of African female students from first to second year has increased by 11% over the past six years.

The short learning programmes form a fundamental part of our university in two ways: to diversify the university's income stream; and to engage with stakeholders in commerce, industry, the private sector, and public service. These programmes form a vital part of our contribution towards providing re-skilling opportunities in various fields, in line with the needs identified by our industry partners.

It was also the year in which we hosted our first Kovsie Multilingual Mokete – a celebration aimed at promoting a coordinated and inclusive celebration of English, Afrikaans, Sesotho, isiZulu, and South African Sign Language as languages and cultures recognised within the UFS Language Policy.

In 2019, we signed off and approved differentiated research strategies in the portfolio of Research and Internationalisation. Plans are underway to increase the numbers of our postgraduate students and to procure more external funding. Here, our existing relationships with industry, the private sector, commerce, and foundations continue to play a crucial role.

The UFS continues its quest to stay abreast of rapidly advancing digital technology, specifically in the field of information and communication technology brought about by the Fourth Industrial Revolution. We acknowledge and embrace the fact that higher education is progressively being transformed from direct-contact education to open distance learning, using internet-based technology. A strategy towards establishing a centre for digital scholarship has been approved, with the first phase to be executed in 2020. This was preceded by improvements to the libraries on our Bloemfontein and South Campuses in 2019, aligned with the Vice-Chancellor's project to establish a world-class digital library.

On the research front, we have increased the number of NRF-rated researchers. Our researchers have demonstrated excellence in various areas, achieved international recognition for these efforts, and participated in international research and funding consortia. We plan to further accelerate this in 2020. Collaboration is becoming an increasingly vital concept – not only between universities of various rankings – but also between universities and industry partners.

In the portfolio of Institutional Change, Student Affairs, and Community Engagement, much has been done in relation to student governance and student well-being. Faculty councils have been established and student representation has been increased in most of the governance structures at the university, even at Senate and Council level.

Measures to ensure the safety of our students on campus are also bearing fruit, and efforts to improve the safety of students staying in off-campus residences are receiving ongoing attention. One of our safety projects implemented in 2019, was the Health Sciences Transport Programme. In collaboration with the Free State Department of Health, transport is provided to undergraduate students doing their practical training at clinical platforms in Bloemfontein. We are continuously engaging with municipal authorities and the Free State provincial authorities to increase the visibility of Community Policing Forums on our campuses. Our commitment to student safety and well-being was also illustrated by a well-supported silent march of students and staff on our Bloemfontein Campus on 6 September 2019 to show solidarity with victims of gender violence.



Policies and guidelines related to protest, discipline, engagement, and student wellness were finalised and are being implemented. One of our initiatives in this regard is a three-way project with the University of California, Los Angeles, and the Vrije Universiteit Amsterdam, addressing polarisation and finding ways to become more socially inclusive and cohesive. We are also on the verge of signing off our engaged scholarship strategy, enhancing our focus on community engagement.

Our human resources, infrastructure, information and communication, housing and residences are all on track with what they have committed to do, and we will refresh our focus in 2020 to continue delivering an innovative, superior contribution to the Academic Project. In 2019, UFS representatives have assisted government in the fields of student accommodation and student safety, sharing insights and practical experience, playing a valuable role in influencing the broader national higher education context.

Finally, 2019 was also the year in which we introduced Project Care on our campuses as an effort to integrate all socio-cohesive programmes and initiatives across the university, and develop a new university citizenship based on tolerance, mutual respect and care in the spirit of *ubuntu*. This dovetails with the goal encapsulated in our ITP, namely to be an institution where our diverse people feel a sense of common purpose and where the symbols and spaces, systems, and daily practices all reflect commitment to openness and engagement.

- A university that truly strives for social justice in everything it does.

For us at Kovsies, 2019 was in essence a valuable, constructive journey of re-aligning ourselves with our core goals and values, with the guiding lights of 'excellence and purpose' leading the way.

Prof Francis Petersen

Rector and Vice-Chancellor: UFS





ABOUT THE UFS

Section 2 provides an overview of the strategy, governance, and management of the UFS during the reporting period. It clarifies the activities and membership of the key governance and management structures of the institution, as well as the manner in which the UFS governed data and managed risks during 2019.

2.1 Strategy

The current UFS Strategic Plan, summarised in Figure 1, signals the university's commitment to widen the scope and radically accelerate institutional transformation over the next five years. The UFS will strive for social justice in everything it does. It will be an institution where its diverse people feel a sense of common purpose and where the symbols and spaces, systems and daily practices all reflect commitment to openness and engagement. It will respond to the needs of the local community, while at the same time participating in global knowledge production. It will be an institution that has engaged actively with its colonial and apartheid legacies, and which recognises its common humanity and the universal nature of the intellectual endeavour. In achieving its vision, the UFS will distinguish itself through academic excellence, diversity, and inclusivity, and through innovative and transformative thought, and will pursue the delivery of excellent graduates and knowledge for the region, the continent, and the globe.

Figure 1: UFS Strategic Plan 2018 to 2022

VISION	The UFS is a research-led, student-c	entred, and regionally engaged universit	ty that contributes to development and
GOALS	1: Improve student success and well-being	2: Renew and transform the curriculum	3: Increase UFS contribution to local, regional, and global knowledge
KEY PERFORMANCE AREAS	1.1: Increase student success and throughput rates and reduce the achievement gap. 1.2: Develop graduate attributes in curricular and co-curricular interventions. 1.3: Improve student safety and health issues.	 2.1: Develop curricula that is locally relevant and globally competitive. 2.2: Revise the structure of the curricula in terms of pathways and graduate employability. 2.3: Transform the pedagogic relationship between students and lecturers. 	 3.1: Focus resource allocation for research and innovation on UFS areas of strength and distinctiveness. 3.2: Transform the profile and increase the diversity of UFS researchers. 3.3: Increase research impact and uptake, including a special focus on the African continent.



social justice through the production of globally competitive graduates and knowledge.

4: Support development and social justice through engaged scholarship	5: Increase the efficiency and effectiveness of governance and support systems	6: Achieve financial sustainability	7: Advance an institutional culture that demonstrates the values of the UFS
4.1: Increase the number of academic staff who are involved in engaged scholarship.	5.1: Revise and update all UFS policies to reflect the university's transformative drive.	6.1: Increase non- government-derived sources of income.	7.1: Operationalise a UFS Institutional Multi- stakeholder Group (IMG) responsible for the
4.2: Increase opportunities for students to engage in community-based education.	5.2: Increase student participation in university governance structures.	6.2: Optimise the cost drivers in academic programmes and support-service departments.6.3: Correct the UFS tuition fee	identification of interventions in relation to the UFS's institutional culture.
4.3: Prioritise engaged scholarship in the UFS funding model.	5.3: Optimise the student life cycle from recruitment to graduation.	baseline.	
	5.4: Improve the integration of data and electronic systems to support both tactical and strategic decision-making.		

2.2 Governance

2.2.1 Statement of Council on governance

The UFS is committed to the principles of discipline, transparency, independence, accountability, responsibility, fairness, and social responsibility, as advocated in the King III Report. Accordingly, the Council endorses, and has applied during the period under review, the Code of Practices and Conduct and the Code of Ethical Behaviour and Practice as set out in the King III Report. In supporting this code, the Council recognises the need to conduct the business of the university with integrity and in accordance with generally accepted practices. Further details about the UFS Council, its composition, its committees, and its activities in 2019 are provided in Section 2.2.2 of this report.

During 2019, the Council endorsed the principles of ethics and leadership based on an ethical foundation. The Council is also aware of the King IV Report that was released on 1 November 2016 and subscribes to the principle that the Council should lead ethically and effectively. The Council has previously adopted the Council Conflict of Interest Policy and the Code of Ethical Conduct, included as Appendix 1 of this report. The Code of Ethical Conduct is attached to every agenda to sensitise members to the importance of ethical behaviour and practices. Compliance with these documents is monitored by the Audit, Risk and IT Governance Committee of Council.

The current report conforms to the 2014 Regulations for Reporting by Public Higher Education Institutions, which applies the principles of the King Code of Corporate Governance for South Africa 2009, i.e. King III Code. However, the Council is familiar with the King IV Code, which was introduced in 2016. The King IV Code includes the response of the King Committee to requests received from non-private-sector organisations to amend the code so that it is more easily applicable to all types of organisations, including the public sector and non-profit institutions. While the Council currently functions cognisant of the new code, it eagerly awaits the DHET's revision of the 2014 regulations in order to align its monitoring and reporting system to the King IV Code.

Employee and student participation are essential to effective co-operative governance. The UFS has two recognised labour unions, namely NEHAWU and UVPERSU. The Collective Agreement between the UFS and UVPERSU (the majority union) was signed on 14 October 2010 and the Recognition Agreement between the UFS and NEHAWU was signed on 1 September 2010. The management of the UFS meets with the labour unions on a regular basis to discuss issues of mutual concern. During March 2019, the Employee Relations Management Forum was also established to enhance the work relationship with the unions. Annual negotiations are also conducted in respect of salary adjustments and conditions of service.

The Support Service Staff Forum and the Head of Academic Departments Forum were established to discuss issues not covered by the collective agreements and to enhance democratic participation in the decision–making processes at the UFS.

Increasing student participation in university governance structures has been prioritised as a key performance area of the UFS in the Strategic Plan 2018-2022. In addition, the Rectorate and the Division of Student Affairs (DSA) were in consistent engagement with students during the year to ensure clear and open communication. More information about the participation of students in UFS governance structures, including details of the Institutional Student Representative Council (ISRC) Constitution and the new academic governance system, is included in section 3.3.1.3 of this report. The activities and membership of the SRC during 2018 are noted in section 2.2.5 of this report.

With regard to conflict management, 20 academic days were lost on the Qwaqwa Campus due to student unrest during 2019. The cost of damage to property was approximately R385 084,20. Most of the damage to buildings was sustained as a result of the looting at the different food outlets on the Qwaqwa Campus and damaged university vehicles. The service providers collectively suffered damage of approximately R193 000 in stock. The unrest was mainly related to the deregistration of provisionally registered students, broken washing machines, and NSFAS allowances. The Rectorate intervened and solutions were provided in respect of most of the issues raised in the memorandum received from the students. It is important to mention that the lost days were made up through an effective academic catch up plan to ensure that the quality of our academic deliverables were retained.

No staff unrest or protest action by outsourced workers was experienced during 2019. The Rectorate and Student Affairs were in constant engagement with students during the year to ensure clear and open communication. The



UFS management and the two recognised trade unions, NEHAWU and UVPERSU, also met regularly during 2019 in a spirit of trust and transparency.

Dr Willem Louw

2.2.2.UFS Council

The UFS Council, chaired by Dr Willem Louw, met four times during 2019. The Council has fulfilled its fiduciary responsibilities with regard to governance, as stipulated in the Higher Education Act (Act 101 of 1997), as amended. The different committees of Council are specified in the Institutional Rules, among other things.

These Council committees include the

- i. Executive Committee of Council
- ii. Audit, Risk and IT Governance Committee
- iii. Finance Committee
- iv. Remuneration Committee
- v. Nominations Committee
- vi. Naming Committee
- vii. Human Resources Committee

The Council has one joint committee with the Senate, namely the Honorary Degrees Committee.

The Council's activities during 2019 included the following:

- The appointment of a new Registrar for the UFS.
- The appointment of the Vice-Dean in the Faculty of Education.
- Reports of the different Council committees were considered and dealt with accordingly.
- Election of the new representative of the Council to the Executive Committee of Council.
- The UFS Enrolment Plan: 2020-2025 was approved.
- Council noted the report on the external evaluation of Council and the recommendations of the external panel were accepted for implementation.
- The UFS Employment Equity Report was noted.
- The updated Research Strategy: 2015-2022 was approved.
- Election of a new member of Council in the category 'Appointed by Council.'
- The remit of the Academic Committee was approved.
- The Consolidated UFS Financial Statements were approved.
- The 2018 Annual Report of the UFS was approved.
- The DHET scorecard was approved.
- Appointment of the Vice-Dean of the Faculty of Economic and Management Sciences.
- Commenced with the process for the appointment of a new Chancellor, as the term of the current Chancellor expires on 3 June 2020.
- The report on Project Care and the Institutional Culture was noted.
- The Student Pregnancy Policy was approved.
- The Policy for Temporary Appointments was approved with amendments.
- The Student Mental Health Policy was approved.
- Two new members joined Council as Convocation representatives, following the election.
- Appointment of the Vice-Dean of the Faculty of Law.
- The Job Grading Policy was approved.
- The Employment Policy and Procedures were approved.
- The tuition fees and Housing and Residence fees for 2020 were approved in line with the guidance from the Minister of Higher Education, Science and Technology.
- The External Audit fees for 2019 were approved.
- The budget for 2020 was approved, as well as the 2020 capital budget.
- Payment of honoraria to external Council members was approved.
- The updated Institutional Risk Register was approved.
- The Recognition of Prior Learning Policy was approved.
- The establishment of an Academy for Multilingualism was approved.

In conclusion, the Council fulfilled its mandate during 2019, as per the Statute and Institutional Rules.

2.2.2.1. Members of the UFS Council, 2019

Chairperson

Dr W (Willem) Louw*

Vice-Chairperson

Dr NM (Nthabeleng) Rammile**

The Rector and Vice-Chancellor

Prof FW (Francis) Petersen

Vice-Rector (1)

Dr EL (Engela) van Staden

Appointed by the Minister of Higher Education and Training (5)

Mr D (Dan) Mosia

Ms I (Itumeleng) Pooe

Prof M (Millard) Arnold

Ms L (Leah) Molatseli

Judge C (Celeste) Reinders

Appointed by the Premier of the Free State (1)

Mr KF (Kopung) Ralikontsane

Elected by the Senate (2)

Prof PD (Danie) Vermeulen

Prof LC (Loyiso) Jita

Members of the religious community (1)

Dr NM (Nthabeleng) Rammile**

Elected by the donors (1)

Mr R (Rian) Moolman

Elected by the Convocation (4)

Dr MJ (Marius) Swart

Mr DM (Mandla) Ndlangamandla

Mr ZL (Zama) Siqwebela

Plus one vacancy

Elected by the academic staff who are not members of Senate (1)

Dr JH (Henk) Potgieter

Elected by the non-academic staff (support service employee) (1)

Mrs SJ (Susan) van Jaarsveld

Appointed by the Central Student Representative Council (2)

Mr K (Katleho) Lechoo Mr TK (Thato) Moloi

Appointed by the South African Local Government Association: Free State (1)

Mr ZL (Zanoxolo) Futwa

Chairperson of the Institutional Forum (1)

Mr RG (Rantooa) Moji

Appointed by Council (8)

Dr SM (Susan) Vosloo

Mr R (Ryland) Fisher

Mr D (David) Noko

Mr DA (Derek) Foster

Dr W (Willem) Louw*

Dr A (Anchen) Laubscher

Mr D (David) Abbey

Mr D (Dan) Kriek

2.2.2.2. Members of the UFS Council, as on 19 June 2020

Chairperson

Dr W (Willem) Louw*

Vice-Chairperson

Mr D (David) Noko

The Rector and Vice-Chancellor

Prof FW (Francis) Petersen

Vice-Rector (1)

Dr EL (Engela) van Staden

Appointed by the Minister of Higher Education and Training (5)

Mr D (Dan) Mosia

Ms I (Itumeleng) Pooe

Prof M (Millard) Arnold

Ms L (Leah) Molatseli

Judge C (Celeste) Reinders

Appointed by the Premier of the Free State (1)

Mr KF (Kopung) Ralikontsane

Elected by the Senate (2)

Prof PD (Danie) Vermeulen

Prof LC (Loyiso) Jita

Members of the religious community (1)

Dr NM (Nthabeleng) Rammile

Elected by the donors (1)

Vacant

Elected by the Convocation (4)

Dr PD (Pieter) du Toit Dr MJ (Marius) Swart Mr DM (Mandla) Ndlangamandla Mr ZL (Zama) Siqwebela

Elected by the academic staff who are not members of Senate (1)

Dr JH (Henk) Potgieter

Elected by the non-academic staff (support service employee) (1)

Mr CM (Charlie) Molepo

Appointed by the Central Student Representative Council (2)

Mr K (Katleho) Lechoo Mr TK (Thato) Moloi

Appointed by the South African Local Government Association: Free State (1)

Mr ZL (Zanoxolo) Futwa

Chairperson of the Institutional Forum (1)

Mr RG (Rantooa) Moji

Appointed by Council (8)

Dr SM (Susan) Vosloo

Mr R (Ryland) Fisher

Mr D (David) Noko

Mr DA (Derek) Foster

Dr W (Willem) Louw*

Dr A (Anchen) Laubscher

Mr D (David) Abbey

Mr D (Dan) Kriek

2.2.3. Audit, Risk, and IT Governance Committee of Council

The Audit, Risk and IT Governance Committee of Council, chaired by Mr D Foster (an external member of the UFS Council), convened six times during 2019 (of which two meetings were special meetings).

The committee's activities during 2019 included the following:

- The UFS registration and enrolment figures were discussed.
- The quarterly reports on UFS legal matters were discussed.
- The quarterly compliance reports were discussed.
- The report to the DHET on structures and systems of internal control was approved.
- The Internal Audit Report of 2018 was noted.
- The consolidated financial statements for the year ended 31 December 2018 was recommended to Council for approval.
- The Audit Report from the external auditors was discussed.
- The reports on IT management and governance were discussed.
- The Institutional Risk Management Progress Report was discussed.
- The Internal Audit Plan 2019-2021 was approved.
- The Internal Audit Charter was approved.

- The 2018 UFS Annual Report for the DHET was recommended to Council, subject to certain conditions.
- The updated Institutional Risk Register was approved.
- The 2020 Budget was recommended to Council for approval, subject to certain amendments.
- The Capital Budget for 2020 was recommended for approval by Council.
- The External Audit Fees were recommended to Council for approval.

In conclusion, the Audit, Risk and IT Governance Committee fulfilled its mandate during 2019, as laid down by the Institutional Rules and its Charter.

2.2.3.1. Members of the Audit, Risk, and IT Governance Committee of Council, 2019

Chairperson

Mr DA Foster

Members

Mr D Abbey

Mr DJ Kriek

Dr W Louw

Mr R Moolman

Dr NM Rammile

Ex officio member

Prof FW Petersen

2.2.4. UFS Senate

Chaired by the Rector and Vice-Chancellor, Prof FW Petersen, the Senate convened six times during 2019.

The Senate has exercised its responsibility for the academic and research functions as prescribed in the Higher Education Act (Act 101 of 1997), as amended. The Senate, in executing its responsibility for the strategic direction of the academic research and community service functions of the UFS, as well as for determining policy and rules concerning academic matters, dealt with the following during 2019:

- Recommended the appointment of the Vice-Dean of the Faculty of Education.
- The conclusion of a joint degree contract between the University of Groningen and the UFS was approved.
- The UFS Enrolment Plan: 2020-2025 was recommended by Senate to Council, subject to certain amendments.
- The UFS Academic Calendar: 2020 was approved.
- The remit of the Academic Committee was approved.
- The Updated Research Strategy: 2015–2022 was recommended for approval by Council.
- The Annual Research Report of 2018 was noted.
- Election of representatives of the academic staff and support staff to represent Senate on the ad hoc committee dealing with the appointment of a Chancellor for the UFS.
- The Student Mental Health Policy was recommended for approval by Council, subject to certain amendments.
- The Student Pregnancy Policy was recommended for approval by Council.
- The Policy on Support and Academic Advice to Top Sport Students Absent from Class, Practicals, and Assessments was recommended for approval by Council.
- The guidelines/protocol on limits for peaceful protests were approved, subject to certain amendments.
- The appointment of the Vice-Dean of the Faculty of Law was recommended for approval by Council.
- The appointment of the Vice-Dean: Agriculture and Strategic Projects was recommended for approval by Council.
- The Learning and Teaching Strategy (2019–2024) was approved.
- The complete Institutional Calendar: 2020 was approved.

The Senate's committees assisted the Senate in the execution of its functions. These sub-committees include:

- i. Executive Committee of Senate
- ii. Research Committee of Senate
- iii. Research Ethics Committee of Senate
- iv. Central Admissions Committee
- v. Academic Timetable Committee
- vi. Library Senate Committee

During 2019, these committees also fulfilled their mandates as prescribed.

2.2.4.1. Members of Senate, 2019

Chairperson

• Rector and Vice-Chancellor

Top management

- Vice-rectors
- Registrar
- Heads of the Qwaqwa and South campuses

Academic staff

- All full professors
- Three lecturing staff in the categories of senior lecturer and lecturer per faculty, elected from nominations
- Other academic employees as provided for by the Institutional Rules

UFS Council

• One member of the Council, who is not an employee or student of the university, elected by the Council

Faculty management

- Deans of faculties
- Forty-two representatives of heads of department, elected from nominations in proportion to the size of the faculty

Students

- Three members of the Student Representative Council (SRC)
- One student representative from each faculty (seven in total), elected in terms of the election procedures and criteria
- One student representative from each faculty (four in total) representing the Qwaqwa Campus, elected in terms of the election procedures and criteria

Other

- Dean of Students
- Director: Student Academic Services

2.2.5. Student Representative Council

In the space of higher education, the first part of the quarter is spent trying to assist students and potential students to gain access to higher education. Issues of exclusions and appeals take centre stage. The same issues emerge every year during this period. The SRC attended meetings in all governing bodies where they are represented.

- SRC President participated in a march to the NFSAS offices.
- Stagedoor a concert for first-year students to showcase their different talents.

- Study marathon aimed at encouraging students to study and thus pursue academic excellence.
- Benchmarking for sports purposes, sports colloquium.
- Student Parliament.
- Leadership Development workshop several workshops were organised for the SRC.
- Varsity Sports Tournament.
- Established student councils that would ultimately form part of Student Parliament.
- Changed the venue-booking method to online.
- Hosted an imbizo to share the vison of the Sports, Arts and Culture division.
- Hosted a sports colloquium with three alma mater from the University of the Free State who are doing well in sports, both locally and internationally. The guests included Ox Nche, Themba Zimo, and Louzanne Coetzee.
- Promoted and advocated for the establishment of arts associations on campus.
- Facilitated the fundraising and participation of the 2018 SingOff winner in the Varsity a capella competition.
- Project Idai collected items (including food and clothing) for the people of Mozambique, Malawi, and Zimbabwe. Done in partnership with the UFS International Office.
- Meal in a Jar food and stationery packs were given to children at Joe Solomon Primary School.
- WalkToUhuru a walk from Bloemfontein to Qwaqwa intended to raise R2 million.
- Kovsies Biggest Braai, another fundraising initiative to assist students in need.

2.2.5.1. Members of the Student Representative Council, 2018/2019

Institutional Student Representative Council 2018/2019

President General

Sonwabile Dwaba9

Vice-President General

Sakhile Mnguni⁹

Secretary General

Andiswa Khumalo

Deputy Secretary General

Khanya Ralarala

Treasurer General

Nomathemba Pakade

Deputy Treasurer General

Tammy Fray

Members

Pauline Mugerwa Selloane Mile Allistaire Abrahams

Bloemfontein Campus SRC 2018/2019

President

Sonwabile Dwaba⁹

⁹ These members did not complete their terms.

Vice-President

Bokang Fako

Secretary

Khanya Ralarala

Treasurer

Viwe Mqushulu

Policy and Transformation

Koketso Khunou

Student Development and First-Generation Students

Serame Sebudi

Commuter Students

Nasmé Puley

Ex officio members

Pauline Mugerwa (Academic Student Council)

Patrick Chirilele (Arts and Culture Council)

Chéri Matjila (Civil and Social Responsibility)

Jon-Dylon Petersen (Day Residences and Commuter Student Council)

Omar Tabengwa (International Student Council)

Thabang Sako (On-Campus Residence Council)

Seithati Ramonaheng (Postgraduate Student Council)

Katleho Lechoo (Sports Council)

Thato Dlamini (Student Associations Council)

Mpho Miya (Student Media and Dialogue)

Ntsitsa Ned (Student Organisations Council)

Tammy Fray (Universal Access and Social Justice)

Qwaqwa Campus SRC 2018/2019

President

Sakhile Khulekani Mnguni⁹

Deputy President

Mongezi Miracle Khethwa9

Secretary

Selloane Antonett Mile

Treasurer

Andiswa Sibonelo Khumalo

Policy and Transformation

Lwanele Reginald Madonsela

Student Development and First-Generation Students

Makalo Tsuluba

Commuter Students

Bongumenzi Siphelele Praiseworth Mdakane

Media and Publicity

Patricia Ntomfuthi Kubheka

Ex officio members

Lindokuhle Sydney Vilakazi (Associations and Religious Affairs Student Council)
Motshedisi Fortitude Raliphoko (Campus Residence Council)
Ntandoyenkosi Khumalo (Arts and Culture Council)
Duduzile Ritter Mhlongo (Academics Council)
Lebohang Hendry Miya (Sports Affairs)
Sinemfundo Mhlongo (Universal Access and Social Justice Council)
Teboho Mofokeng (Postgraduate Student Council)
Hajarat Eniola Jennifer Omotayo Ashafa (International Student Council)

South Campus SRC 2018/19

Deputy President

Nomathemba Pakade

Secretary

Mvuyo Madlala

Student Development and First-Generation Students

Allistaire Abrahams

2.2.6 Report of the Institutional Forum to Council

The UFS Institutional Forum (IF) managed to have two ordinary meetings and a workshop in the reporting period.

The forum was duly represented in the appointments and/or extension of contracts of senior management personnel, and subsequently advised Council on the fairness of the process.

The forum also interacted with the Rector to be updated on the implementation of the Institutional Transformation Plan (ITP) and to provide suggestions where it deemed fit. It was also agreed that this interaction with the Rector regarding the implementation of the ITP would be ongoing.

The IF was invited to and represented in a number of meetings convened by the Minister of Higher Education.

Mr Rantooa Moji Chairperson

2.2.6.1. Members of the Institutional Forum, 2019

Chairperson

Rantooa Moji***

Deputy Chairperson

Pura Mgolombane****

Designated by the University Management Committee

Keitumetse Eister Pura Mgolombane****

Designated by the Council

Dr Anchen Laubscher Zanoxolo Futwa

Elected by the Senate

Prof Patrick Mafora Prof Neil Roos

Elected by academic employees other than Senate members

Rantooa Moji*** Dr Johan Bezuidenhout

Elected by administrative employees

Arista van der Westhuizen Juanita Burjins

Elected by service employees

Kehiloe Mtshali Pauline Lebatsa

Designated by the Student Representative Council

Xolani Sibaya Katleho Lechoo

Designated by the trade unions

Dr Makeresemese Qhosola (NEHAWU) Anita Lombard (UVPERSU)

2.2.7 Data governance and management

A safe environment, which undoubtedly includes the digital sphere, is a non-negotiable pre-requisite for an institution of higher learning to achieve excellence and ultimately fulfil its purpose. During 2019, the UFS ICT Services (ICTS) increasingly focused its efforts to stay abreast of applicable trends and technological advances in order to further this aim.

Compliance and governance frameworks and standards adopted and implemented on various levels of maturity include the following:

- COBIT (Control Objectives for Information and Related Technologies): This framework has been adopted by UFS ICTS for information technology (IT) management and IT governance to ensure that internal controls in ICT are attended to in a structured manner. The COBIT 5 framework consists of two key areas, namely governance and management. COBIT is not a compliance framework, but a maturity framework based on the CMMI (Capability Maturity Model Integration) maturity model. The maturity is rated on five levels, from level 1 (initial) to level 5 (optimising).
- PMBOK: Project Management Body of Knowledge
- ITIL: Information Technology Infrastructure Library
- TOGAF: The Open Group Architecture Framework
- DAMA: Data Management
- King IV: Corporate Governance
- ISO 27000: Information Security Management System
- ISO 9001: Quality Management Systems
- CIS: Information Security Standards

The digital security of the UFS is the number one digital priority of the ICT domain. The intrusive nature of international threats, the sophistication of these attacks, the number of attacks, and the damaging intent behind them, makes it an extremely volatile environment.

To get a grasp on the multi-pronged attack probability, digital security is mainly measured by the ability of the organisation to effectively address and manage digital vulnerabilities. Here, for every device that enters the digital perimeter of the UFS, for every piece of software installed on the device, for every internet-based search or transaction conducted from any linked device, a specific vulnerability is created and exists from that point forward, until the device leaves the digital 'fence' of the UFS.

In digital security terms, a vulnerability is a weakness (soft spot) in a system, application or specific hardware technology that could possibly be exploited by mal-intent hackers if and when they obtain access to this 'piece of technology'. Vulnerabilities are carried in through every piece of technology introduced to the UFS digital environment and are normally embedded in current digital products. This situation is further exacerbated by very old end-point technologies (laptops, desktops, tablets, smartphones, etc.), as these technologies do not have the ability to be upgraded and loaded with current digital security software such as virus control software, etc. Dealing with these vulnerabilities is an ongoing action; the moment a specific vulnerability is addressed, other new vulnerabilities are introduced. To a large extent, this complicates the management of this specific aspect of digital security.

ICT acknowledges both the IRR (Institutional Risk Register) and the more detailed ICT Risk Register as the overarching risk profile for ICT. Since the inception of a formalised ICT Risk Register in 2013, the management thereof was a standing ICT ManCo agenda item and was enabled through very specific ICT initiatives allocated to specific ManCo members for mitigation and ongoing management. This approach underscores risk management to date.

ICT Services must continually align with the greater objectives of the UFS. Therefore, a flexible budget has been adopted. The continuous alignment to business needs are constantly reviewed and prioritised. Regular budget meetings are held to review priorities, and reallocations are made to support the immediate requirements.

Responsible management of ICTS finances remains a key aspect of ICT's managerial effort. The objectives here are to have a comprehensive and detailed understanding of ICT's financial position on a day-to-day basis, to allocate



funds to areas of high importance, to fund the mitigation of risk, and to ensure that sufficient funding is available to support the ongoing operations of ICT Services and the university as a whole.

ICT Services management regularly reviews budget burn performance. Budgets allocated within the different ICT domains that are not spent prior to these sessions, are targeted for reallocation. This ensures that ICT Services has a flexible budget model to support areas that require higher priority.

Financial control is key to the management of ICT finances. Here, ICT Services conducts three formal 'burn' meetings per financial period (one year). During these meetings, all ICT financial accounts are investigated and discussed. In cases where, for instance, project funding changes due to operational changes, surplus funding is moved to other projects where specifications have changed and where more funding is required. During these sessions, specific attention is given to areas of potential over-spending and areas where the financial risk has increased to a point where initiatives need to be re-planned to meet the financial parameters of ICT Services.

During 2019, the UFS Department of ICT Services replaced the standard distribution layer routing with fully-fledged layer-7 firewalls, enabling the UFS to scan all traffic on the UFS network for viruses, malware, hacking attempts, as well as zero-day exploits. This provides additional protection to our student community.

2.3. Management

2.3.1. University Management Committee

The University Management Committee (UMC) is one of the UFS's institutional committees and convened six times during 2019. The UMC's mandate is prescribed by the Institutional Rules.

The UMC is accordingly responsible for the strategic management of the UFS with regard to its focus areas, key success factors, academic support services and portfolios, as follows:

For finalisation

- i. Creation and filling of posts, and promotion of all permanent and full-time support services staff members at remuneration levels equal to that of a professor, associate professor, or senior lecturer.
 - ii. Finalising all matters that cannot be concluded within certain management lines according to specific approved policies and procedures and that fall outside the mandate of the Executive Committee of the Senate and the Senate.
 - iii. Establishing or terminating support services departments.

For recommendation to the Senate and Council

- i. Recommendations to the Council regarding the appointment of persons to support-service posts with a remuneration level equal to or higher than that of a senior professor.
- ii. Should the policy stipulations also affect academic staff, relevant macro-institutional policy matters/ policies are referred to the Council via the Senate to obtain clarity and for approval; otherwise, the policy recommendations are submitted directly to the Council for approval.

During 2019, the UMC, chaired by Prof FW Petersen, executed its mandate in the following ways:

- The leave trends at the UFS were noted.
- Recommended the approval of the Senior Director: Institutional Research and Academic Planning.
- The 2020 fee adjustments were noted.
- Recommended that, due to the amendments in the Labour Relations Act, paternity leave be included as part of the UFS Leave Policy.
- Recommended the appointment of the new Registrar of the UFS.
- Recommended the appointment of the Vice-Principal: Academic and Research (Qwagwa Campus).
- Considered the Performance Management System for Support Services.
- The Student Mental Health Policy was noted, as well as the Pregnancy Policy (for students).
- The Draft Policy: Special, Romantic or Sexual Relationships between students and staff at the UFS was recommended to Council for approval.
- Recommended the appointment of the Campus Principal (South Campus).

In conclusion, the UMC fulfilled its mandate in 2019, as laid down by the Institutional Rules.

2.3.1.1. Members of the University Management Committee, 2019

Rector and Vice-Chancellor

• Prof FW (Francis) Petersen

Vice-Rectors

- Prof RC (Corli) Witthuhn (Vice-Rector: Research)
- Prof P (Puleng) LenkaBula (Vice-Rector: Institutional Change, Student Affairs, and Community Engagement)
- Prof P (Prakash) Naidoo (Vice-Rector: Operations)
- Dr EL (Engela) van Staden (Vice-Rector: Academic)

Registrar

• Mr NN (Nikile) Ntsababa



Deans

- Prof H (Heidi) Hudson (The Humanities)
- Prof J (John) Mubangizi (Law)
- Prof HJ (Hendri) Kroukamp (Economic and Management Sciences)
- Prof DJ (Danie) Vermeulen (Natural and Agricultural Sciences)
- Prof GJ (Gert) van Zyl (Health Sciences)
- Prof L (Loyiso) Jita (Education)
- Prof R (Rantoa) Letšosa (Theology and Religion)
- Mr P (Pura) Mgolombane (Student Affairs)

South Campus

Prof D (Daniella) Coetzee (Campus Principal)

Qwaqwa Campus

• Dr MDPA (Martin) Mandew (Campus Principal)

Heads of support-service departments

- Ms KB (Keitumetse) Eister (Library and Information Services)
- Mr CR (Chris) Liebenberg (Finance)
- Ms SJ (Susan) van Jaarsveld (Human Resources)
- Dr GJ (Glen) Taylor (Research Development)
- Dr RV (Vic) Coetzee (Information and Communication Technology Services)
- Dr JF (Francois) Strydom (Centre for Teaching and Learning)
- Ms ES (Lise) Kriel (Acting Senior Director: DIRAP)
- Mr NJ (Nico) Janse van Rensburg (University Estates)
- Mr CCA (Cornelius) Hagenmeier (International Affairs)
- Ms LC (Lacea) Loader (Communication and Marketing)
- Mr JCG (JC) van der Merwe (Acting Director: Unit for Institutional Change and Social Justice)
- Mr PMB (Billyboy) Ramahlele (Community Engagement)
- Ms NE (Nomonde) Mbadi (Student Recruitment Services)
- Prof W (Witness) Mudzi (Postgraduate School)
- Ms A (Annamia) van den Heever (Institutional Advancement)
- Mr QT (Quintin) Koetaan (Housing and Residence Affairs)
- Mr P (Pura) Mgolombane (Dean: Student Affairs)
- Mr N (Noko) Masalesa (Senior Director: Protection Services) (from 25 Nov 2019)
- Mr DB (DB) Prinsloo (Director: Kovsiesport)

President of the Central Student Representative Council

- Mr SJ (Sonwabile) Dwaba¹¹ (Bloemfontein Campus) (last meeting attended on 29 July 2019)
- Mr SK Mnguni¹¹ (Qwaqwa Campus) (last meeting attended on 29 July 2019)
- Mr Katleho Lechoo (Bloemfontein Campus) (from 9 Sept 2019)
- Mr L (Lehlohonolo Mokhabi (Qwaqwa Campus) (from 9 Sept 2019)

In advisory capacity

- Ms AM (Anita) Lombard (UVPERSU representative)
- Mr ZP (Zenzele) Mdletshe (NEHAWU representative)
- Ms JH (Elna) van Pletzen (Deputy Registrar: Governance and Policy)
- Mr A (Anban) Naidoo (Deputy Registrar: Student Academic Services)
- Prof P (Philippe) Burger (Pro Vice-Chancellor: Poverty, Inequality and Economic Development)
- Adv MC (Mbongeni) Mateta (Deputy Registrar: Legal Services and Compliance)

2.3.2. Report of Council on risk assessment and management of risk

Council, through the establishment of a risk management framework, provides the foundations and organisational arrangements within which risk management will operate. This framework assists the university community to manage risks effectively through the application of a structured risk management approach and process. The risk management framework is informed by the university's strategic objectives and guided by the university's risk management philosophy. The university's risk philosophy is operationalised through a risk management policy and guidelines where the risk management process, governance structures, responsibilities, and accountabilities are outlined.

The governance structure through which Council discharges the risk management duties originates in the Audit, Risk and IT Governance Committee. The Institutional Risk Management Committee is established as a committee of the Audit, Risk and IT Governance Committee to assist Council in the discharge of its duties relating to risks associated with the safety and welfare of all who work at or for the university, the integrity of the university's academic work, strategy and reputation, and the appropriate use and safeguarding of material assets. The Institutional Risk Management Committee (IRMC) is governed by a remit and supported by the following structures to formalise and embed risk management within the university:

- Support Service Risk Management Committee risks of university operations, health, safety, and crime
- Academic Committee of Senate risks of academic work
- Research Committee of Senate risks of research
- Social Responsiveness Committee risks of community engagement and engaged scholarship

The IRMC convened four meetings during 2019 to specifically address risk issues. Minutes were kept of all IRMC meetings. The members of the IRMC collectively have the ability and experience to identify and manage risks and are knowledgeable regarding risk management in general.

The membership comprises the following:

- Rector (Chairperson)
- Rectorate members
- Two deans from faculties (Natural and Agricultural Sciences and Economic and Management Sciences)
- Two senior directors (Human Resources and Facilities Management)
- Chairperson of the Audit, Risk and IT Governance Committee
- Risk Unit (advisory), comprising the Senior Director: Finance, Deputy Director: Finance, and the Chief Officer: Risk Management
- Head of Internal Audit (advisory)

The IRMC may seek assistance from experts where appropriate, but the IRMC must be satisfied that such experts have no conflict of interest in relation to the matter under consideration. Accordingly, the services of a cybersecurity risk management expert from PwC were sought to guide the IRMC in terms of the assessment of cybersecurity risks at the university. Similarly, the IRMC may appoint a standing or ad hoc subcommittee to investigate certain matters under its jurisdiction, in compliance with applicable norms, rules, and regulations; however, these avenues were not explored in the past year.

The mandate of the IRMC was executed by reviewing the most significant institutional risks that would prevent the university from achieving its strategic objectives, by reviewing risk owners responsible for implementing and embedding risk mitigation plans, assessing the adequacy of performance indicators and mitigation plans, and monitoring and evaluating the level of residual risk. The reviewed risks were presented to the Audit, Risk and IT Governance Committee (ARIC) on a quarterly basis for input and discussion. The chairperson of the IRMC has unrestricted access to the chairpersons of the ARIC, the Finance Committee, and Council to escalate and report institutional risks.

All risks are identified, assessed, and mitigated at the primary source/division and escalated through the risk management structures. Risk identification stems from potential threats to the university's strategic objectives or events that could impede on the effective utilisation of opportunities. Risks are assessed through the determination of the likelihood of occurrence and impact should it materialise. The effectiveness of internal controls is taken into

account to mitigate the risks and calculate a residual risk rating per risk. Should risks be above the risk tolerance levels as set by Council, risk mitigation strategies are applied and monitored. Progress on the action plans are documented and key performance indicators are monitored by the objective owners.

Risks are clustered in risk categories to focus and strengthen mitigation and monitoring strategies. The risk categories are academic, research and innovation, student experience, staff experience and composition, legal and compliance, safety, health and environment, financial sustainability, infrastructure (digital and physical), and engaged scholarship. With the exception of the financial sustainability category that addresses financial risks, all the other categories contain non-financial risks. The risk categories may have mitigation strategies containing monetary contributions from the university, whether classified as financial or non-financial risks.

While risks are escalated to the ARIC through the governance structures, this process does not abdicate the primary objective owner of the management and mitigation responsibilities. Risks are documented, assessed and mitigation plans are constantly updated in an electronic risk management system.

Table 3 shows the institutional risks recommended by the Audit, Risk and IT Governance Committee and approved by Council, with a residual assessment of 'high' and above:

Mr Derek Foster

Chairperson: Audit, Risk and IT Governance Committee

Table 3: Institutional Risks 2019

S#	RISK NAME	ACTION PLAN	ACTION DATE	RISK CLASSIFICATION
1	Inability to reduce the black-white student achievement gap	 A UFS student success strategy has been developed and the work of Siyaphumelela has been integrated into this plan A student tracker and data analytics platform is being put in place The aim is to decrease the achievement gap by 1% per annum 	2019-2023	High
2	Curriculum maps do not include graduate attributes	 Graduate attribute development plan developed and approved in Oct 2018 by Senate 2019: Rubric development through workshops to contextualise the rubrics The process of curriculum mapping will start in 2020 within the project deadlines 	2019: develop- ment of rubrics 2020–2023: mapping	High
3	Ineffective pedagogic relationship between students and lecturers leading to low trust, low engagement, and a lack of innovative approach to teaching and learning	 Include module evaluations/CLASSE as part of teaching and learning portfolio evidence and promotion Implementation of the Khothatsa project where awareness is created of the positive impact students and staff have on each other Offer workshops and create an online platform where staff can be better informed about students 	2019-2023	High

4	Inadequate growth in research-related grants and contracts	Strategies to stimulate and diversify sources of research income include: - Faculty programmes to partner with industry - Development of research hubs - Active marketing of research and technologies through stakeholder engagement workshops	2019: implement strategy 2020-2022: monitor	High
5	Inability to ensure safety and security of students residing off campus	Collaboration efforts include, but is not limited to: - Establishment of Student Safety Collaboration Forum - Deployment of armed-response security vehicles in crime hotspots to ensure enhanced visibility during exams - Increased investment in safety awareness, targeting first-years - Engagement with municipalities and Free State provincial authorities to increase visibility - Extension of CPF meetings to the campus	2019 - implemen- tation monitoring is a continuous process	High
6	Names and symbols not fully represent inclusive institutional culture	- The Naming Committee receives, evaluates, and recommends to Council proposals for naming and renaming in support of transformed institutional culture. The Naming Committee is to review its remit and the UFS Naming Policy - The ITP work stream on Names, Symbols and Spaces undertakes a comprehensive inventory of the current state of names, symbols, statues, and spaces; development of a transformation strategy on naming, renaming, and acquisition of art and artefacts; re-imagining and reconfiguration of spaces Steyn Task Team submitted its report to Rectorate and is handling the permit application and appeal process	Ongoing till 2022	High
7	Cybersecurity (digital/information) attacks differ from event to event and there is no comprehensive approach to protecting the UFS in a bulletproof manner	Reference the CIS implementation plan: - Create a digital security department with dedicated, skilled technical and governance staff; establish accountability in business - Engage with Top Management and the business community to overcome funding challenges to implement IS requirements - Appoint a dedicated digital security team and secure funding to execute against the comprehensive IS plan; establish accountability in business	2019 - implementation monitoring is a continuous process	High
8	Unclear pathway to engaged scholarship	- Review of the performance management system to enhance participation in ES - Increase number of academics to participate in engaged scholarship - Institutionalise engaged scholarship through policy direction and university strategy - Develop a short-learning programme for engaged scholarship - Engaged scholarship mentorship programme per faculty, underpinned by communities of practice	2019 – imple- mentation monitoring is a continuous process	High
9	Share of income from advancement activities stagnates	- Plan and launch a comprehensive, well-resourced campaign to grow donations (including bequests) - Ensure excellent relations with donor organisations to retain, renew, and cultivate new donors - Maintain Institutional Advancement capacity built in the five-year Kresge Inyathelo advancement initiative	2019: develop campaign 2020: launch	High
10	Student enrolment targets not met	 Effective enrolment management is dependent on institutional enrolment planning, faculty targets, and the size and shape strategy Regular monitoring meetings with stakeholders Post-mortem workshops Enrolment management by faculties at departmental level Admission targets by faculties 	2019: review process	High

2.3.3.Report on internal administrative / operational structures and controls

The university maintains systems of internal control over financial reporting and the safeguarding of assets against unauthorised acquisition, use or disposal of such assets. Such systems are designed to provide reasonable assurance to the university and Council regarding an operational environment that promotes the safeguarding of a public higher education institution's assets, and the preparation and communication of reliable financial and other information.

The utilisation of electronic technology to conduct transactions with staff and third parties ensures that control aspects receive close scrutiny and that procedures are designed and implemented to minimise the risk of fraud or error.

The internal control systems include documented organisational structures setting out the division of responsibilities, as well as established policies and procedures, including a code of ethics that is communicated throughout the organisation to foster a strong ethical climate and the careful selection, training, and development of its people.

Information systems utilising modern information technology are in use throughout the university. All of these have been developed and implemented according to defined and documented standards to achieve efficiency, effectiveness, reliability, and security. Accepted standards are applied to protect privacy and ensure control over all data, including disaster recovery and back-up procedures. Password controls are strictly maintained, with users required to change passwords on a regular basis. Regular (monthly) reviews are conducted to ensure that there are no clashes of user-access rights, and that the basic internal control concept of division of duties is maintained. Where, for capacity reasons, an occasional clash does occur, sufficient manual controls are in place to ensure that the risks of these clashes are mitigated. Systems are designed to promote ease of access for all users, and the systems are sufficiently integrated to minimise duplication of effort and ensure minimum manual intervention and reconciliation procedures. The development, maintenance, and operation of all systems are controlled by competent, sufficiently trained staff.

The utilisation of electronic technology to conduct transactions with staff and third parties ensures that control aspects receive close scrutiny and that procedures are designed and implemented to minimise the risk of fraud or error.

The Internal Auditor monitors the operation of internal control systems and reports findings and recommendations to Management and Council through the Audit, Risk and IT Governance Committee. Corrective actions are taken to address control deficiencies and other opportunities for improving systems when identified. The Council, operating through its Audit, Risk and IT Governance Committee, provides oversight of the financial reporting process.

There are inherent limitations to the effectiveness of any system of internal control, including the possibility of human error and the circumvention or overriding of controls. Accordingly, even an effective internal control system can provide only reasonable assurance with respect to financial statement preparation and the safeguarding of assets. Furthermore, the effectiveness of an internal control system can change according to circumstances.

The university assessed its internal control systems as at 31 December 2019 in relation to the criteria for effective internal control over financial

reporting described in its financial policy documents. Based on this assessment, the university believes that its systems of internal control over operational environment, financial and information reporting and safeguarding of assets against the unauthorised acquisition, use or disposal of assets, met these criteria on 31 December 2019.

The university conducted a review of its risk assessment document and, in conjunction with the internal auditors, developed a programme of internal audits to examine the systems, procedures, and controls in those areas considered as high risk.

With regard to other matters on the agenda of the Audit, Risk and IT Governance Committee, there were no outstanding items that exposed the university to loss arising from undue material risk.

The Audit, Risk and IT Governance Committee reviewed the report on internal administrative/operational structures and controls in the year under review during its meeting on 27 February 2020, at which meeting there was a quorum; the documentation for approval by the committee was circulated together with the meeting agenda in advance, with due notice.

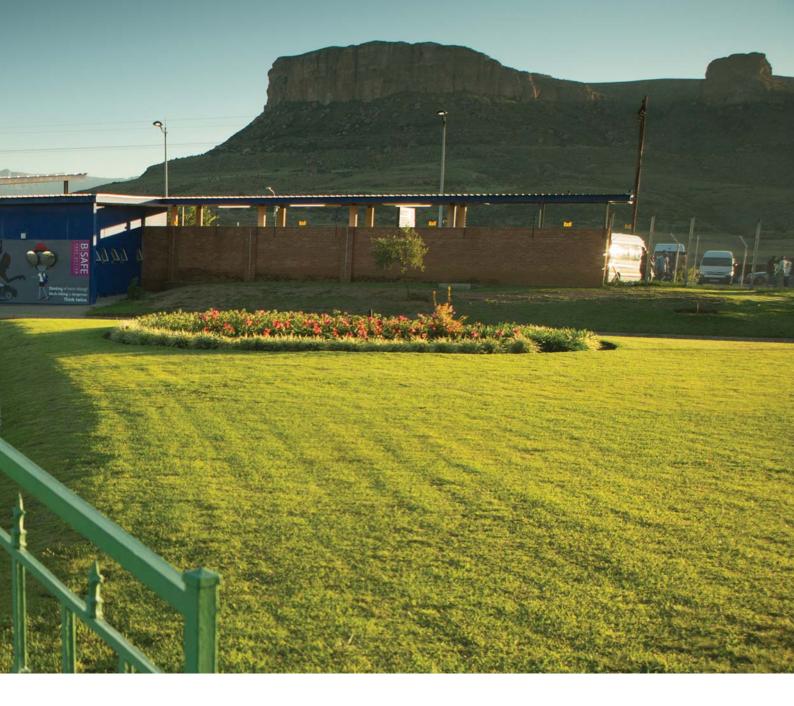
Mr DA Foster

Chairperson: Audit, Risk and IT Governance Committee

Mr V Visser

Director: Internal Audit





3

PERFORMANCE REPORT

Section 3 reports on the extent to which the UFS believes that it has met the goals of its current Strategic Plan during the reporting year, with specific reference to the key performance (KPAs) areas, key performance indicators, (KPIs) and 2019 targets as identified in the Annual Performance Plan 2019.

3.1. Report of Senate to Council

Senate's report to the Council gives an account of significant developments and achievements in the core functions of teaching and learning and research during 2019. To this end, the following narrative evaluates the university's performance with regard to three strategic goals, i.e. to improve student success and well-being; to renew and transform the curriculum; and to increase the UFS contribution to local, regional, and global knowledge.

3.1.1. Improve student success and well-being

3.1.1.1. Overview of indicators

Student success and student well-being remains the core of what the university does.

Student success and student well-being remains the core of what the university does. The current strategic plan addresses this goal in three ways: by increasing the academic success of students; by developing attributes that are supplemental to disciplinary knowledge and enables graduates who are well suited for the 21st century world of work; and by ensuring the health and safety of its students. The UFS identified a KPI to monitor its progress with regard to the overall goal of improving student success and well-being, as well as a number of supplementary indicators that are related to the specific areas of performance. The UFS KPI of student success and well-being is the achievement gap between black and white students¹⁰. This gap has increased slightly from 11,5% in 2018 to 11,7% in 2019. On the other hand, the secondary indicator for this key performance area, undergraduate throughput rate, 11 has increased from 57,6% to 63,2% over the same period. Even though the UFS falls short in its intentions to reduce the achievement gap as highlighted above, the increase in throughput rate as a secondary indicator for this key performance area highlights the positive outcomes as a result of concerted efforts in this chapter to improve the overall student success and well-being.

The UFS has made good progress during 2019 in terms of the clarification of its graduate attributes and starting the implementation phase through integrating these attributes into the curriculum at programme level, as elucidated in section 3.1.1.3 below. The implementation is a fulfilment of the Senate-approved five-year institutional plan for the development and implementation of UFS graduate attributes. In this regard, faculties conducted workshops to develop their respective graduate attribute rubrics, and support departments across the institution are already working towards the integration of proposed skill sets into their programmes and respective student activities.

^{10.} The difference between the average degree credit success rate of all undergraduate black (African, Coloured and Indian/Asian) students enrolled in the current year and the average degree credit success rate of all undergraduate white students enrolled in the current year.

^{11.} The percentage of a given undergraduate student cohort (headcount) enrolled in threeyear undergraduate degrees who completed it (graduated) in five years or less.



Student perceptions of UFS support for their well-being are encouraging. In 2019, 72% of UFS students reported that the UFS emphasises the provision of support for their overall well-being¹², which is an improvement from 69% of students who reported such support in 2018. The following sections provide a narrative of the key achievements and challenges that the UFS experienced with regard to student success and well-being during the year under review.

3.1.1.2. Increase student success and throughput rates, and reduce the achievement gap

Increasing student success and throughput rates and reducing student achievement gaps remains a priority for the management of the UFS. The 2018–2022 strategic plan of the UFS states that, while there are several proxies for student success, the focus of the UFS for the five-year period is to look at students completing a three-year qualification within five years, and the difference in the success rates of black and white students. With student success, we refer to the activities undertaken to ensure that we increase the number of graduates from diverse backgrounds who participate in high-quality learning, resulting in the acquisition of knowledge, skills, and attributes that are personally, professionally, and socially valuable. This process also includes reducing historic and contemporary achievement gaps between different races and genders. To this end, student success activities at the

^{12.} Share of students who report that the UFS places 'very much' or 'quite a bit' of emphasis on providing support for their overall well-being (recreation, healthcare, counselling, etc.), as measured through the South African Survey of Student Engagement in the current year.

UFS focus on diverse issues that affect a student's success during different phases of the student life cycle, starting with the transition into higher education. To improve student success, the UFS implemented engaged teaching-learning as a high-impact educational practice. In 2019, the Centre for Teaching and Learning (CTL) continued its focus on improving student success and reducing the achievement gap through initiatives in the following areas: research-led analysis of student engagement and success at the UFS; evidence-based implementation and impact analysis of higher impact practices at scale; leveraging technology to enhance blended learning; leading the development of data analytics through the Siyaphumelela project.

Research-led analysis of student engagement and success

The CTL embarked on a research-led analysis of student engagement and success. Specifically, the South African Surveys of Student Engagement (SASSE) are administered annually by the CTL. Nationally, 21 universities have participated in at least one survey over the past decade and the project also plays an important role in supporting other national initiatives, such as the Siyaphumelela project. Beyond the Department of Higher Education and Training's (DHET) Higher Education Management and Information System (HEMIS) database, SASSE data is the only other national database on students in South African higher education. In 2019, the CTL conducted research for a pre-conference workshop on Understanding and Engaging Students for Success for the Universities South Africa (USAF) higher education conference. The workshop resulted in an additional national symposium for USAF and the development of the national Student Success Collaborative Forum.

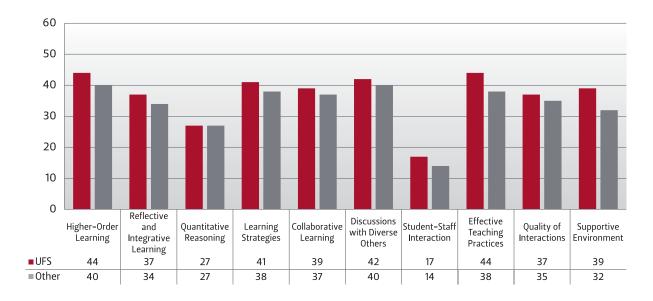


Figure 2: SASSE indicator performance

Figure 2 shows UFS undergraduate students' mean scores for SASSE indicators in comparison with seven fellow participating universities in 2018. UFS students show statistically significant higher engagement scores in all indicators, except for Quantitative Reasoning. The biggest differences are seen in indicators measuring students' experiences of effective teaching practices, and whether they experience their institutions as an environment that provides academic and non-academic support. The student-staff interaction indicator is a challenge in international administrations of engagement surveys too, although UFS students show more interaction with staff than other universities.

Evidence-based implementation and impact analysis

As part of student engagement, high-impact practices are scaled (they reach a wide range of students) practices that are intentionally designed to optimise student interaction with diverse peers and staff and aim to increase student development and success. The CTL has positioned four support interventions as high-impact practices: Academic advising, the A-STEP programme (tutorials), the UFS101 module, and language development. Table 4 below highlights the number of students who participated in high-impact practices.

Table 4: Student participating in high impact practices

High-Impact Practices (HIP)	Number of students participating: 2019
UFS101	8 500
Academic Student Excellence Tutorial Programme (A-STEP)	13 846
Academic Advising (face-to-face, group advising, and digital platforms)	12 981
Language development:	
Compulsory academic literacy modules	10 501
Students making use of academic writing support	15 568

Academic Student Excellence Tutorial Programme (A-STEP)

The Academic Student Tutorial Excellence Programme (A-STEP) serves all seven faculties; A-STEP attendance grew from 9 781 in 2018 to 13 846 in 2019. Its centralised model allows for relevant training of more than 349 tutors and close collaboration with faculties and lecturers. While the A-STEP team has invested in sophisticated analytics to track attendance and performance, a recent report also shows a positive relationship between student engagement and tutorial attendance. Other significant findings from the report are shared below (see Figure 3).

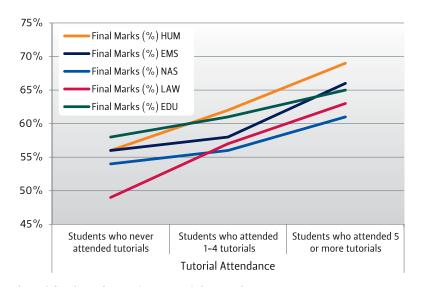


Figure 3: Means of students' final marks against tutorial attendance

UFS101 module

UFS101 is a compulsory module aimed at providing support and strategies to assist students to successfully transition into higher education. This is done through considering and addressing some of the many variables that can affect how students transition into and through their first year. In addition to this, the overarching themes of the module are entrepreneurship, employability, and leadership. In 2019, 8 459 students were enrolled in the module. The focus of the first semester is academic success skills (e.g. study reading, time management, goal setting, referencing, and plagiarism, etc.), while the focus of the second semester is on how students can make the most of their undergraduate studies to prepare for the world of work. The 2019 Annual Learning and Teaching Report revealed a high retention rate of first-year students, regardless of whether they are enrolled in extended or mainstream programmes. In fact, only 14% of extended and 16% of mainstream programme students fail to return after their first year of study. These statistics demonstrate the effects of significant efforts from various academic and support units to help first-year students transition into higher education, and to successfully master their first year of study. This is particularly true for African female students, whose retention from first to second year has increased by 11% over the past six years. At 80%, the undergraduate success rate is relatively at par with the national average. The ripple effect that the #MustFall protests had on the sector can be traced through a decline in success rates. However, some faculties have turned this trend around.

Academic Advising

The UFS is playing a leading role nationally to develop academic advising for students and professionalise the practice for staff. The UFS leads a seven-institution collaborative University Capacity Development Grant (UCDG) aimed at establishing academic advising in South Africa. The Central Academic Advising Office has trained 73 advisers across the country through the accredited short learning programme developed by CTL.

Language development

The UFS is playing a leading role nationally to develop academic advising for students and professionalise the practice for staff.

Research shows that the development of students' language skills, especially academic literacy skills, is critical for academic and employment success. The UFS has a 20-year history of local and international investment in the development of leading approaches to developing academic literacy in second- and third-language speakers of English. The Unit for Language Development (ULD) has two main sites of delivery, namely academic literacy courses and the Write Site. In 2019, 10 501 students were enrolled in literacy courses on all the campuses and the regions, including mainstream, extended degrees, and bridging courses. The Write Site provides undergraduate and honours students with individual consultation for assignments and works with lecturers to develop customised digital and face-to-face workshops based on specific assignments in courses. These workshops are typically followed by individual consultations at the Write Site, where students receive further support based on their individual writing needs. In 2019, 15 568 students made use of Write Site services.

Leveraging technology to enhance blended learning

Enhancing the impact of student support by enabling blended learning and creating digital support platforms remains a priority of CTL and the UFS. In terms of the development of a blended learning environment, the move to Blackboard in the Cloud for all Bloemfontein Campus modules has been successful, with 100% up time. Currently, 77% of all UFS modules have a Blackboard presence, whereas 89% of all UFS undergraduate modules have a presence on Blackboard. In 2019, 19 470 active users logged in daily to the LMS (47% of all students at the UFS). 85 000 online assessments were conducted on Blackboard and 820 on Questionmark. The Student Success Portal has 36 631 active users. Similarly, a total of 276 academics received Blackboard training in 2019. The CTL hosted a Blended Learning Colloquium, which 103 staff members attended. The Digital Identity reports for staff and students were released and are used to enhance blended learning initiatives.

Leading the development of data analytics through Siyaphumelela project

The initial phase of the Siyaphumelela project ended in 2019. The next phase, called the Siyaphumelela Network, will expand the impact of this Kresge Foundation-funded project. The UFS has submitted a new proposal for 2020–2023. The institutional gains from the Siyaphumelela project include:

 Early Warning System (EWS) that is currently being piloted. By developing an early warning system, risk factors influencing the success of firsttime undergraduate students were identified from institutional data (these risk factors were predictors of whether a student will pass or fail their first year).



- The second gain from the Siyaphumelela project is the Tshehetsa Tracking project, which aims to track and nudge first-year students toward institutional support if and when needed.
- The academic advising Learner Case Management system (LCM) was designed to allow academic advisers to capture data as they consult with students. These data points include demographic as well as session data. The advisers can also leave comments for other advisers (or other support structures), making the LCM a catalyst for analytics and standardisation. Phase 1 of the LCM was launched in early 2020.
- The fourth gain from the Siyaphumelela project is nudging. Analytics initiatives such as the EWS and LCM are created with the intention of taking action in order to increase student success. One of the possible actions is to nudge students (per email/SMS) towards support structures.
- Data Analytics Capacity Development programme (DACD). To build analytics capacity, several in-house workshops were held at different difficulty levels in 2019. These workshops were designed to address the analytics needs of the participants. Because of the interest in participation from staff members, further capacity building workshops are planned for 2020.

These initiatives are positioning the UFS to play a leading role in the continuation of the broader Siyaphumelela project in the national development of academic advising, as well as student engagement.

Increasing student success rate - faculty and support services departments

While the CTL provides the necessary academic support to faculties in order to increase the success rate of students at the UFS, there are different activities driven by the faculties to ensure an increase in the number of graduates from diverse backgrounds participating in high-quality learning that results in the acquisition of knowledge, skills, and attributes.

In the Faculty of Economic and Management Sciences, the average undergraduate student success rate across all three campuses increased from 74,2% in 2018 to an average of 75,1% in 2019. Additionally, the EMS closed the achievement gap between white and black students from 11,1% in 2018 to 10,8% in 2019. Further analysis revealed that the achievement gap for EMS students in EMS modules is much lower (8,0%). A research project proposal between EMS and the Carnegie Math Pathways (CMP) programme in the USA was submitted to and accepted by WestEd (USA) in February 2019. This research project is envisaged to contextualise the CMP programme – which has been empirically proven and has substantial success in the development of quantitative skills to enhance overall student academic success – for the Management Sciences in South Africa. The research and implementation of the programme will be supported through the involvement of the UFS Centre for Teaching and Learning.

The integration of student well-being with student success has become a central focus for teaching and learning in EMS in 2018. This focus has been operationalised through a number of initiatives, including the Four-dimensional Accounting Student Support (FASS) programme, the continuation of module-specific academic tutorial support (i.e. A-Step and/or departmental), academic staff development coupled with the implementation of the Language Policy, the scholarship of teaching and learning, as well as the use of data analytics to inform module-specific teaching and learning activities. All EMS first-year students were also invited to join the learning communities for weekly academic sessions scheduled between students and an allocated mentor (senior student). Further, holistic support sessions were provided to students where experts offered support to students on aspects such as academic/career advising, study skills, time management, and psychological well-being. A Student Advisory Board (consisting of 14 industry and business practitioners) was established in 2019 to further facilitate student exposure to skills, trends, and requirements in their chosen industry through scheduled contact sessions. As the aim of this programme is to ultimately enhance the development of graduate attributes, the first impact analysis can be scheduled for 2021.

During 2019, the **Faculty of the Humanities** introduced an interactive faculty-specific first-year orientation to support the transition of first-year students to higher education (HE). The SASSE 2018 report (made available in 2019) shows that the tutorial systems in the Faculty of the Humanities continue to have a significant positive impact on student results. In addition, the Faculty of the Humanities continues to compare favourably with other faculties in terms of all the SASSE indicators and are positively noted in the area of effective teaching practices. The remit of the teaching and learning coordinator (TLC) was extended to include all student support initiatives. This meant that the various tutorial systems are now one person's remit. The focus of the TLC in 2019 was to build

relationships with the lecturing staff, which led to an increased interest in tutorials. The focus on student support moved in 2019 to understanding second- and third-year success initiatives; this will be developed into a full project in 2020. The Faculty of the Humanities' graduation rate for African students increased by 10% in 2018, although the overall graduation rate dropped. The achievement gap in the faculty also increased by 3% on the Bloemfontein Campus, but a negative achievement gap between African and White students (i.e. African students outdo White students) was recorded in the Higher Certificate on the South Campus.

The Faculty of Theology and Religion, in line with the UFS Strategic Plan 2018-2022, employed an interactive approach to increase the success and well-being of its students. The faculty focused on promoting student success at undergraduate and postgraduate levels. The approach regards the improvement of the quality and effectiveness of teaching and learning both at undergraduate and postgraduate levels. It focused on evidence-based teaching and excellence. It enhances learning capacity through interactive and innovative learning techniques, such as blended learning, imaginative critical thinking techniques, and content-based classroom debates. Additionally, a pilot project was launched in a first-year module in New Testament Studies, supplementing the English lectures with PowerPoints on Blackboard and voice-overs in English, Sesotho, and Afrikaans. Students could download any or all of the PowerPoints (as preferred). This helped them better prepare for tests, with the throughput rate for this particular module increasing from 57,7% to 72,4%. In the Higher Certificate module in Pastoral Care (TPPM1514), Dr Juanita Meyer of the department employed innovative digital platforms to enable students to actively participate in real time during class, providing a dynamic learning encounter as well as an enjoyable classroom experience.

Based on the analysis of continuous assessment results (tests and assignments), the Faculty of Education identified students whose scores were unsatisfactory. These students were flagged for compulsory academic advising sessions, which included ascertaining possible factors underlying their poor performance. In extreme cases, the academic advising sessions culminated in recommendations for changes in the module choice of affected students. Students identified as 'at risk' were provided with additional tuition support by lecturers and were also referred to the A-Step tutorial support programme administered by the Centre for Teaching and Learning (CTL). The faculty had a total of 15 modules in the A-Step programme. In addition to the measures described above, the faculty has also introduced a number of academic achievement awards to motivate students whose academic performance has consistently been excellent in a number of modules. The awards ceremony is a standing event on the official faculty calendar. The faculty also adopted a resolution to conduct a quarterly comparative analysis of the performance scores of black-white students, effective from January 2020. The purpose of the analysis is to determine the nature and extent of the achievement gap, with a view to implementing appropriate measures to close it. Through a mandate to its Appeals Committee, the faculty management has granted academic concessions to some students, enabling them to complete the prescribed curriculum over a shorter period than it would have taken if the progression rules had been rigidly applied.

Similarly, the **Faculty of Law** reported interventions aimed at increasing student success rates. To this end, assessment plans have been structured in such a way that students are tested on smaller portions of the module content over an extended period during the semester. Lecturers of modules with a low throughput rate are informed to report to the Faculty Management Committee on steps to be initiated to improve the percentage of student success in the modules. Additionally, the Teaching and Learning Committee also addresses all issues in the LLB programme in order to address student success.

The overall pass rate of the **Faculty of Natural and Agricultural Sciences** has stabilised at around 80% after a 2,2% reduction from 2015 to 2018 due to the impact of the 2016 protests.

In line with its objective of improving student success and well-being, the **Faculty of Health Sciences** has developed different student support structures. These structures include the following:

- Academic monitoring and early identification of at-risk students create awareness of relevant regulations, study strategies, and assist with professional identity formation.
- Psychosocial support is offered through a clinical psychologist, social worker, and a sustained effort to raise awareness of mental health. This interdepartmental collaboration enhanced the holistic well-being of students while encouraging intergroup and intercultural interaction.
- Social support is offered through individual short-term counselling, individual therapeutic sessions, group work, risk and psychosocial assessment, liaison and referrals to relevant stakeholders, and case monitoring.

The authentic learning spaces utilised during the community-based education component promote the achievement of deep learning. The Division of Student Learning and Development supports students in all stages and on different levels of engagement.

The Postgraduate School (PGS) contributes towards student success by improving their research skills, which in turn results in reduced time for completing their postgraduate degrees. In 2019, a total of 108 workshops were presented with a total of 2 093 attendees. Of these, 1 486 were students and 607 were staff. The total number of students who attended the Postgraduate School's workshops in 2019 was 2 093, of which 479 were studying for PhDs, 875 for master's, 206 for honours, and 519 who did not indicate their current programme of study. To reach local and international students and ensure their access to PGS research capacity-development opportunities, regular workshops were presented at the following off-campus venues: Qwaqwa Campus; Midrand, Gauteng; Newcastle, KZN; Kimberley, Northern Cape; Windhoek, Namibia; Maseru, Lesotho; and Harare, Zimbabwe. A total of 341 postgraduate students attended the off-campus workshops, 111 of whom are busy with their PhDs and 230 with their master's. To better position the UFS PGS among South African and global universities and to ensure access to capacity-development opportunities for off-campus postgraduate students, workshops are presented at the following off-campus venues: Qwaqwa Campus; Midrand, Gauteng; Newcastle, KZN; Kimberley, Northern Cape; Windhoek, Namibia; and Maseru, Lesotho. Live webinars are part of the enormous success of the PGS in 2019. With these live webinar sessions, we were able to reach and train regional and internationally registered postgraduate students and staff busy with postgraduate qualifications, irrespective of location, whether in Cape town, Gauteng, Lesotho, Zimbabwe or Namibia, Zimbabwe, etc. Live webinar sessions were well received. Other interventions undertaken by the PGS included but were not limited to: coffee mornings (each semester), postgraduate welcoming functions (Bloemfontein Campus and Qwaqwa Campus), monthly funding newsletter, and the Three Minute Thesis Competition.

The **Department of Student Affairs'** Gateway Orientation programme is one of the initiatives designed to improve student success and well-being. This programme forms an integral part of the broader institutional first-year experience. The DSA presented this programme from 28 January to 8 February 2019. The Gateway programme provides access to critical information, resources, and support services that are essential to student success on all three campuses. The DSA, through the Center for Universal Access and Disability Support (CUADS), continued to advocate for the universal accessibility of services on the three UFS campuses. The centre contributed immensely through its initiatives; 250 students with disabilities (SwD) were supported through its disability support programme.

In **Housing and Residence Affairs**, the residence heads were also assigned to coordinate different portfolios, such as peer mentors, dialogues, faculty coordinators, professional development, academic, marketing, finance, human resources, teaching and learning, library, and student media.

KovsieSport has embarked on an initiative to assist Sports Science students to succeed in their academic activities via a policy adopted by Rectorate and Senate. KovsieSport is assisted in the athlete student support initiative by the Centre for Teaching and Learning. KovsieSport awards annual merit sports bursaries, thus enabling students to study and participate in sport.

Low levels of literacy, lack of functioning school libraries, and the dwindling interest in using public libraries have necessitated **Library and Information Services** to engage in library orientation activities. This serves as an introduction to the wealth of information and services at students' disposal, meant to turn them into expert users of information resources. Library orientation took place over three days and not over the usual two weeks (Bloemfontein: 5–7 February and Qwaqwa: 5–15 February). A total of 5 631 students (Bloemfontein – 2 825; Qwaqwa – 1142; South Campus – 744; Medical Library – 920) went through the library orientation as part of the Gateway programme. Feedback on the assessment of the programme elicited the following: a) students would like to attend more library orientation sessions; b) they found the presentations helpful and interesting; c) they understood the library resources better; and d) indicated that they have a better knowledge regarding the library.

Additionally, library research methodology training is a flagship project that contributes to a research-led university by equipping undergraduate students with research skills. Faculties such as Law also introduced this training to postgraduate students. Success stories from 2018 were presented during faculty board meetings, which resulted in more academics coming on board, with a total of 10 programmes participating in this training. The collaboration started with academics sharing their study guides with librarians, from which librarians developed customised



content, lesson plans, activities, and questionnaires used to test students' knowledge before and after training. After implementation, the librarians shared the results with the academics. A total of 2 983 students were trained in 2019.

The Best Assignment project got off the ground in 2019, with two students being recognised for excellent assignments on 25 October. The students were selected by their lecturers after a call was made at faculty board meetings. The winners were Mr Christoffel de Lange from the Department of Zoology for the assignment titled 'Differences in Heat Uptake Rate Between White and Black Sand-filled Cans of Similar Size', and the late Mr Johandré J de Haan (may his soul rest in peace) from the Department of Sociology for the assignment titled 'Marx and the impact of his theoretical concepts in the South African context and its relevancy'. A word of appreciation is extended to Ms Nombulelo Shongwe and Prof Neil Heideman for working with the library to make this project a reality. Both Prof Heideman and Ms Shongwe expressed their gratitude to the library for this project as well as support for content regarding the *Kovsie Undergraduate Research Journal*. This project will go a long way towards building a community of scholars at undergraduate level, mastering academic writing that will come in handy as they progress to postgraduate studies.

The **Department of Student Affairs** instituted prestige award schemes aimed at promoting student success. All Student Life Colleges recognised academic excellence among their respective student communities through yearend Prestige Awards (September, October, and November). These Prestige Awards were aimed at fostering a culture of student success.

- Magnifiers and portable loop systems were purchased to provide access for students with visual and hearing
 impairments. Accessible Study Material Production Programme: In 2019, this programme provided academic
 support to 19 visually impaired students using Braille, E-text, and enlargements. The Communication Access
 Programme facilitated and coordinated academic support and interpreting services to seven deaf students and
 10 hard-of-hearing students.
- Facilitating and coordinating the Alternative Assessment Programme together with the Exam Division to provide accessible test and examination facilities. The facility is housed at CUADS, where an average of 180 students were accommodated, 140 of whom received extra-time concessions and 28 amanuensis. Students used specialised equipment during tests and exams and 19 students used accessible, formatted papers.

University Estates undertook some projects aimed at enhancing student success. These projects included:

- The refurbishment of the Sensory Laboratory (Agriculture Building) was intended to relocate existing laboratories to alternative spaces in the Agriculture Building. The project included the demolition of two spaces, application of new floor and wall finishes, and the installation of new laboratory equipment and cupboards.
- Improvements have been made to the multifunctional Francois Retief Human Genetics Laboratory for specialised work in human genetics, and includes a new kitchen, boardroom, and offices. The project achieved practical completion in December 2019.
- Sasol Library Revitalisation Phase 2. The five-year strategic planning of the UFS Sasol library is currently in the implementation stage, with phase one completed. Phase 1 involved upgrading to larger collaborative spaces, study spaces, and training facilities. State-of-the-art technology was installed, which included plasma screens and smart boards. This was completed in May 2019. Phase 2 is still under construction and focuses on reorganisation and optimisation of meeting/training spaces as well as a new mechanical installation. This phase is scheduled for completion in 2020.
- Qwaqwa Tutorial Venue. A venue accommodating tutorial programmes was constructed on the Qwaqwa Campus to address the growing need for tutorial space. The building consists of four tutorial venues, equipped with audio-visual equipment. The building achieved practical completion in February 2019.

3.1.1.3. Develop graduate attributes in curricular and co-curricular interventions

The development of graduate attributes in higher education has become very important due to the competitive labour market and increasing demands by industry for skilled labour globally. The 2018–2022 strategic plan of the UFS specifies the importance of undergraduate modules that indicate the graduate attributes associated with the learning outcomes of the module and provide opportunities to demonstrate the acquisition of these attributes in

the teaching and learning processes as well as in the assessment tasks. In 2019, the CTL developed eight graduate attributes in collaboration with different stakeholders across the UFS, which were also approved by Senate. Four workshops involving 50 staff members (academic and support) facilitated the contextualisation of the VALUE (Valid Assessment of Learning in Undergraduate Education) rubrics. The process of mapping graduate attributes into the curriculum at programme level will start in 2020. A workshop in March 2020 will capacitate the university in the use of e-portfolios, signature assignment development, as well as curriculum mapping. The mapping of attributes will take place across curricular and co-curricular spaces.

In terms of community engagement, students were firstly engaged in authentic learning in the collaborative learning platform of community-university partnerships, exposing them to gaining the graduate attributes they need as 21st-century graduates. The community engagement attribute leads to the development of characteristics such as conflict resolution, social cohesion, diversity, social enterprise, and innovation. Significantly, the content of engaged teaching-learning (e.g. service-learning) enhances the development of resilience, open-mindedness, flexibility, and dealing with discomfort and uncertainty. To this end, engaged teaching-learning modules are structured to encourage the development of graduate attributes through relevant curricular and co-curricular community engagement activities. Community engagement is one of the graduate attributes that will be integrated into the curriculum. The rubric for this attribute was contextualised in 2019.

The Directorate: Research Development (DRD) offers a student innovation office with a dedicated staff member to help and assist young undergraduate entrepreneurs with their start-up businesses. We also offer pitching workshops and invite a number of guest speakers during the year to help inspire and guide aspiring entrepreneurs. At honours level, the DRD assists in offering modules in the BCom Entrepreneurship degree. This intervention focuses on new venture creation, innovation management, and sharing a lectureship between the DRD and the Faculty of Economic and Management Sciences.

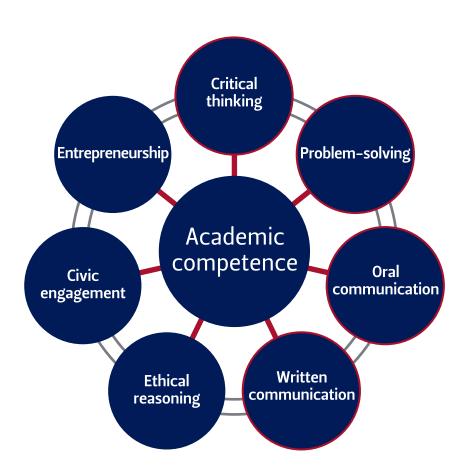


Figure 4: UFS graduate attributes

Developing graduate attributes at faculty level

At faculty level, the Faculty of Economic and Management Sciences (EMS) provided valuable information on the development of graduate attributes in curricular and co-curricular interventions obtained through the FASS (four-dimensional accounting student support) programme. The FASS programme was effectively connected to student well-being and student success; with the average entry mark of students at 30–50%, participating candidates completed the programme with an average increase of up to 12% overall. The feedback from the FASS programme assisted EMS in preparing for scaling this student support programme to all EMS undergraduate programmes through a programme-specific student support initiative that was implemented in 2019. This initiative aims at integrating student well-being, student success, and the development of graduate attributes in a single initiative. Skills learned through this intervention as reported by students themselves, included improvement in peer interaction, enhancing students' thinking capacity, obtaining knowledge of the real-life work environment, and enhancing teamwork and team skills. Additionally, a Student Advisory Board (consisting of 14 industry and business practitioners) was established in 2019 to further facilitate student exposure to skills, trends, and requirements in their chosen industry through scheduled contact sessions with students.

The Faculty of Health Sciences focused on activating important competencies in its curriculum, as informed by decolonisation trends and the newly proposed UFS graduate attributes.

The Faculty of the Humanities is participating in the Trans-language project, which was piloted in 2019. The plan to initiate compulsory modules for the Bachelor of Arts and Bachelor of Social Sciences that would lend itself to focusing on graduate attributes and an improved ability to introduce signature assignments, was discussed with SAS during 2019; a business case was drawn up to present to the Academic Committee in March 2020. Additionally, several faculty staff participated extensively in the Centre for Teaching and Learning project to contextualise the graduate attribute VALUE rubrics in UFS context. It is difficult for the faculty to provide students with pathways directly linked to professions in their generic programmes. Therefore, the focus in the Humanities is rather on building graduate attributes in such a way as to support graduate employability. For this reason, a business case was prepared for approval by the Academic Committee, through which the BA and BSocSc programmes could be reconfigured in order to achieve the aims of a cohesive and transformed curriculum. Part of this vision for a transformed curriculum in the generic programmes is the enhancement of graduate attributes for greater employability.

Since 2014, the Faculty of Natural and Agricultural Sciences published core competencies that students must achieve during their studies; a process was started to map the exit-level outcomes of modules against the graduate attributes. This led to a composite understanding of how the different major fields of study can contribute to the development of graduate attributes in curricular and co-curricular interventions. The core competencies were replaced by the latest graduate attributes as initiated by the faculty on the journey to develop signature assignments across disciplines to monitor the development of graduate attributes more closely. Due to the increase and change in our student population and to provide students with more skills, more and more departments are involving students by appointing them as laboratory assistants to assist with lab work, practicals, and/or tutorials.

The revised, fully accredited LLB programme in the **Faculty of Law**, which will be implemented from the beginning of 2020, has been meticulously developed to ensure that prescribed graduate attributes are encapsulated in the content thereof. The new LLB curriculum addresses the development of graduate attributes, introduced in 2020.

The Faculty of Education held a workshop to orientate staff on the practicalities of infusing graduate attributes in general – in particular the UFS Senate-approved graduate attributes – in module learning outcomes. Ongoing discussions have commenced in which schools are examining the extent to which their modules reflect the Senate-approved UFS graduate attributes. Schools started to work towards infusing graduate attributes in assessment tasks for 2020 and beyond.

To develop graduate attributes, the **Postgraduate School** presented skills training and workshops in CV writing (24 attendees), presentation skills, oral and poster presentations, article writing for novice authors, guidelines on research contracts and IP, RIMS processes, ethics (human, animal, research, general), and tools for promoting the well-being of postgraduate students. These workshops were attended by 243 participants, of which 181 were postgraduate students.

Support services departments' contribution to developing graduate attributes

Library and Information Services view the equipment of students with multi-literacy skills (information, digital, and research skills) as key in contributing towards student retention, academic success, and lifelong learning. A number of avenues were thus used to reach out to as many students as possible in order to expand their knowledge in information literacy as one of the university's graduate attributes. It is encouraging to hear students expressing their appreciation for these training sessions, gradually realising the immense role that the library is playing in their academic lives, as opposed to using Google as their main resource. It is hoped that the university will adopt this training for all programmes, thus increasing the chances of quality assignment writing, supported by the ability of students to consult a wide range of current information resources. A process was initiated for the accreditation of the LIS multi-literacy training content, with the hope that it will be used in the near future to generate thirdstream income. A total of 16 164 (32%) service beneficiaries (undergraduate students, postgraduate students, and academics) were trained - Sasol: 8 020 (23%); TK Mopeli: 2 544 (32%); Neville Alexander: 5 600 (75%). This is a huge improvement compared to the 7 473 (15%) trained in 2018. Training was also offered through UFS101 information literacy. A word of appreciation is extended to UFS101 CTL staff who collegially handed this task to librarians. Sessions were held during which librarians were trained on a number of administrative aspects regarding UFS101, such as a) the registration process; b) how to create groups per session; c) a demonstration on how to scan students' names into Excel in order to create a register before training; d) the online booking system for 'Accessing Library Resources'; and e) training on using the electronic attendance register, where student cards were scanned in order to keep a proper record of attendance. A total of 3 355 first-year students were trained (Sasol: 2 180; TK Mopeli Library: 1175).

The International Office organised semester exchange programmes and scholarship opportunities to enhance the overall graduate attributes of students, and particularly their international and intercultural competencies. In 2019, the OIA supported more than 10 UFS students in securing semester exchange and scholarship opportunities. Additionally, through the institutional MoU between the UFS and the Vrije Universiteit Amsterdam (VU), the OIA co-ordinated the nomination of three students who participated in the summer school programme at VU. Two students from the Qwaqwa Campus Faculty of Economic and Management Sciences – Ms Nonkululeko Mthembu and Ms Elizabeth Mkhari – and Mr Koketso Khunou from the Faculty of the Humanities on the Bloemfontein Campus represented the UFS.

Sport coaching courses are presented annually by **KovsieSport**, contributing to the development of our students/ graduates.

During 2019, the **Department of Student Affairs** served on the Graduate Attribute and Skills Development Forum (GASDEF) and actively contributed to the development of the UFS Graduate Attributes Framework. The DSA further developed its integrated co-curricular framework in the following ways:

- Created and implemented an alignment canvas with supporting templates to ensure the constructive alignment of developmental outcomes, assessment criteria, and learning experiences in relation to co-curricular programmes and activities.
- Facilitated the mapping of all co-curricular programmes against the UFS Graduate Attributes Framework. This mapping exercise was important to enable the drafting of a framework to provide more formal recognition for the co-curricular participation of students.

Employability

The Centre for Teaching and Learning and the Career Office have been developing a Career Development and Employability Plan with national and international inputs, which will be presented to Rectorate during the first semester of 2020. Similarly, the DRD is investigating and developing new postgraduate qualifications for the world of work in the future, which will also have an impact on the curriculum; this was already initiated in 2019. The activities of the faculties aimed at enhancing the employability of students, are presented below.

• In the Faculty of Economic and Management Sciences (EMS), a Student Advisory Board (consisting of 14 industry and business practitioners) was established in 2019 to further facilitate student exposure to skills, trends, and requirements in their chosen industry through scheduled contact sessions with students. The EMS further embarked on the establishment of an Academic Advisory Board to provide an employer's perspective on the

needs of the workplace in order to remain relevant and competitive. These perspectives will be considered in any curricular review initiatives. Academic advisory boards also provide an employer's perspective on graduate employability and additional pathways that could be linked to the needs within the current (and future) workplace.

- The **Faculty of Health Sciences** set up various academic advisory boards (AAB) to benchmark graduate employability. However, a high employment rate follows the completion of healthcare internships.
- It is difficult for the Faculty of the Humanities to provide students with pathways directly linked to professions in their generic programmes. Therefore, the focus in the Humanities is rather on building the graduate attributes in such a way as to support graduate employability. For this reason, a business case was prepared for approval by the Academic Committee, through which the BA and BSocSc programmes could be reconfigured in order to achieve the aims of a cohesive and transformed curriculum. Part of this vision for a transformed curriculum in the generic programmes is the enhancement of graduate attributes for greater employability. In addition, the faculty ran a week-long career fair for Humanities students in collaboration with the Career Services Unit.
- As part of its efforts to enhance students' employability, **KovsieSport** is continuing to embark on projects that are geared towards creating professional sports careers for sportsmen and sportswomen. By changing the opportunities for participation and creating new propositions, sport is developing new pathways to allow athletes to craft a new professional sports career for themselves. This process allows athletes to become successful professional sportsmen/sportswomen.
- The content of the **Faculty of Law's** revised LLB programme was structured in such a fashion that it will ensure that our graduates are adequately equipped to function optimally on entrance into the labour market.
- The programme and qualification mix (PQM) in the Faculty of Natural and Agricultural Sciences are based on specific qualifications and are structured such that they cater for the needs of respective industries and in compliance with professional bodies. The faculty advisory boards will provide information on the skills that students/graduates need in order to be employable in the market. Personnel from the faculty are all tasked with improving their interaction with industry and each department must submit their strategies to improve this during 2019 and beyond.
- Student Counselling and Development (SCD) offers registered and prospective students the opportunity to explore their 'best fit' career by undergoing the career counselling process. The process includes a complete psychometric evaluation of interests, aptitude, and personality, as well as an intensive decision-making process with a professional personnel member.
- The Department of Student Affairs collaborates closely with CTL on a continuous basis to develop a comprehensive career development and employability plan for the UFS.

3.1.1.4. Improve student safety and health issues

Safety and health issues were one of the focal areas of the Office for International Affairs (OIA) in 2019. In line with its objective of promoting student safety and health issues, the Office for International Affairs (OIA) hosted the first annual Africa Day student dialogue on the Qwaqwa Campus, which focused on the following themes: gender as a social construct and what this means for the lesbian, gay, bisexual, transgender, intersex and queer (LGBTIQ) community within the African context; xenophobia, Afrophobia and tribalism as a source of disunity on the African continent and what Africa should do to find a solution to this problem; understanding mental-health issues in Africa. The Directorate: Community Engagement plays an important role in the facilitation of interactions between government, management, and students in the establishment of a Safe Province, Safe City, and Safe Campus Campaign.

Improving student safety and health issues at faculty level

At faculty level, the Faculty of Economic and Management Sciences (EMS) highly values the safety and health of all its students. Emotional/psychological health has been a focus area in EMS, with research on specifically student support systems (excluding academic support), anxiety, depression, and other related aspects. The research was conducted among students in Chartered Accountancy (as a professional, highly demanding programme within EMS). Outcomes were shared at the national conference of the South African Accounting Association (SAAA); the research is currently being extended to four other South African institutions, following the need and relevance of this research identified at the conference, with data collection scheduled for 2020. EMS has noted the high levels of



anxiety and depression among the Accounting students in the research, and therefore included specific interventions for programme-specific support in EMS in 2019 through the involvement of Kovsie Counselling. This includes data collection with regard to well-being aspects among a wider range of EMS students, emotional/psychological support through programme-specific support and in cooperation with Kovsie Counselling and Development, as well as the continuous monitoring of student success as an indicator of the emotional/psychological well-being of students.

The Faculty of Health Sciences has provided clear emergency procedures to ensure student safety during clinical, practical, and theoretical instruction both on and off campus. Practical assistance includes self-defence training, pepper spray handouts, and safe transport.

In the Faculty of Natural and Agricultural Sciences, most of the modules consist of practical components requiring laboratory work; great emphasis is continuously placed on the safety of students. All practical guides include safety requirements, and students are assessed based on their understanding of the application of these rules. The Sustainable Agriculture division, in collaboration with ACT, established a programme to self-produce food for needy students. Subsequently, a project was undertaken to deliver agricultural tunnels from the Lengau experimental farm to the Bloemfontein Campus, and 48 planter boxes were supplied.

In relation to the class attendance survey carried out by CTL during 2019, the results of the **Faculty of the Humanities** indicate that mental-health issues are among the top five reasons why students do not attend class. Having recognised this as a significant challenge, the faculty emphasised the need for tutors and facilitators to be aware of and be available in a referral capacity for students. Results from the CLASSE survey for first-year student tutorials show that students rely heavily of these strata of academic staff for support.

The Faculty of Education observed that the unsatisfactory academic performance of students can be attributed to other factors beyond the immediate learning-teaching environment, and students were referred for general counselling services available on campus. The faculty maintained high security and health personnel visibility at student functions and activities, including those held off campus. Student safety and health on campus and during the school-based practicum (Teaching Practice) were included as a discussion theme in the World of Work Day celebratory assembly.

Contribution of support services departments in improving student safety and health

In 2019, Student Counselling and Development (SCD) embarked on developmental workshops and programmes in an effort to improve student safety and health issues. The SCD identifies the psychological wellbeing of students as important, because it directly impacts their academic performance and success while their personal development during the university years is essential in forming a well-rounded graduate. Student Counselling and Development offered group outreach interventions that were developmental in nature and preventative in design. The developmental interventions of SCD assist students in adapting to and benefiting from university life and the academic environment. Support to students include intellectual development; personal/academic choices; relationship with others; and promoting their engagement in an effective and satisfying lifestyle. Students reach their optimal potential through the support structure, while we also promote their personal growth. The developmental workshops and programmes presented by SCD are responsive to the various levels of diversity among our student population and are designed to reach all students. Workshops were presented on a weekly basis throughout the academic year. These workshops are presented in-house, as well as at the request of external departments (faculties, residences, etc.). The topics addressed in 2019 included (but were not limited to): test and exam anxiety; anger management; assertiveness; coping with stress; emotional intelligence (EQ); self-esteem; suicide awareness; and mental health survival. At the Bloemfontein Campus, 106 workshops were presented during 2019, with 1914 students attending these workshops. In addition to the developmental workshops, SCD also developed a student toolkit that provide students with basic therapeutic tools, strategies, and resources for self-help application in combatting academic and personal challenges. The Student Toolkit was launched in August 2019 and is available to all registered students in both hard copy and electronic/online format (Blackboard). The SCD provides counselling interventions that are responsive to the diverse needs of the student population who are experiencing ongoing or situational psychological, behavioural, educational, personal, relationship or developmental difficulties. A total of 2 098 students were counselled at SCD during 2019, with 5 308 booked counselling sessions across all three campuses. Additionally, the SCD has daily appointments set aside to address emergencies such as trauma or suicidal ideations. These sessions are used to assess and contain the emergency and make the relevant referrals.

An after-hour emergency service is also offered to assist with crisis intervention strategies, trauma debriefing, hospitalisations, and referrals. During 2019, a total of 299 emergency sessions were booked, of which 269 sessions were attended. Student Counselling and Development forms part of the UFS Sexual Assault Response Team (SART) 1.

The SCD offers social support to students so that they can thrive and maintain a high level of overall well-being through interventions that provide a supportive learning environment. Social interventions offered by the DCD in 2019 included: pregnancy support – 58, academic-related support – 175, accommodation support – 136, support in relation to family matters – 76, support in relation to sexual and gender-based violence – 21, food referrals – 251, other (NSFAS appeal, textbooks, transport) – 222, and bereavement – 13. During 2019, the Department of Student Affairs (DSA) reconfigured the peer mentoring programme to scale the socio-emotional support offered by this programme to first-entry students on all three UFS campuses. The reconfigured programme, to be implemented in 2020, will foster a success mindset and assist with monitoring students' transition to higher education. Additionally, the social support provided to students includes financial support aimed at creating a socially just and humanising student experience through rapid interventions such as co-curricular sponsorships; academic conferences and seminars; and leadership development conferences.

During 2019, the Department of Student Affairs led a process to draft an institutional food environment strategy to address hunger and malnutrition among students. This strategy is the result of a collaborative process between various internal and external stakeholders and was approved by the UFS Rectorate on 28 August 2019. The following objectives will be pursued from 2020 onwards:

- The UFS has policies that determine decisions and actions relating to food environments on the campuses.
- Information and support services are offered on health-promoting food and meal choices and on environmentally friendly food systems.
- Affordable, health-promoting food and meals are available and accessible on campuses.
- Communication to promote support of and participation in the Food Environment Programme is ongoing.
- A quality-control system, monitoring system, and a plan for periodic evaluation and reporting are being implemented for the Health Promoting Food Environment Programme.

On the South Campus, a full-time psychologist has been appointed and students can receive individual counselling services. Additionally, the SCD provides counselling interventions that are responsive to the diverse needs of the student population experiencing ongoing or situational psychological, behavioural, educational, personal, relationship or developmental difficulties.

With the support of the Vice-Rector: Operations, **KovsieSport** implemented medical support (ER24) at every sports competition on campus. Through the opportunity to participate in sport, regardless of the level, sport plays an important role in the development of a balanced student.

There is also a well-being programme on campus. The DCD considers the process of maintaining personal hygiene as necessary for many reasons – personal, social, health, psychological or simply as a way of life. The state of student hygiene we see on a daily basis is quite bad due to a lack of necessary resources. The Social Support unit provides packages of toiletries with items such as: sanitary towels, bath soap, roll-on, body lotion, face towel, toothpaste, and toothbrush. In 2019, 57 students were assisted with well-being packages.

The Accessible Transport Programme assisted five students with disabilities with transport between the Bloemfontein Campus and the South Campus, as well as 106 ad hoc requests for academic and personal purposes. The Orientation and Mobility training assisted 16 students with visual impairments to walk independently on all three campuses – also aided by the tactile pathways implemented on the Bloemfontein Campus.

The Sexual Assault Response Team (SART)

The Sexual Assault Response Team (SART) was set up in April 2019 to facilitate the implementation of the Sexual Harassment, Sexual Misconduct and Sexual Violence policy. The function thereof is to provide support for all survivors of sexual and gender-based violence. SART is coordinated by the Unit for Institutional Change and Social Justice and involves the following role players: Campus Protection Services, Student Counselling and Development, Housing and Residence Affairs, the Dean of Student Affairs, the Directorate: Student Discipline and Mediation, and Human Resources (for cases where the complaint involves a staff member). Students can report incidents of

harassment and sexual violence online through a link on the KovsieLife page, and staff can access SART via the staff intranet. Members of Protection Services also received training during July and August 2019 to assist victims of sexual violence incidents. Incidents may be reported from Monday to Friday: 07:30–16:30 on 051 401 7777 and after hours on the 0800 204 682 toll–free line.

Student safety on and off campus

The Unit for Institutional Change and Social Justice developed and hosted a Safety Summit on the Bloemfontein Campus on 18 and 19 October. Students and staff from the following institutions were invited and attended the summit – CUT Bloemfontein, CUT Welkom, Sol Plaatje University, UFS Qwaqwa Campus, and UFS Bloemfontein Campus. An online survey was developed that all off-campus UFS students were asked to complete. UFS safety champions presented their research on the first day, students dialogued on how issues of safety and security were playing out on the different campuses, and information on this was collected. These included issues of transport, spatialisation, accreditation, bylaws, consequence management, and intersectoral management. On the second day, students dialogued with relevant stakeholders on these issues. The summit was the culmination of the yearlong programme and will result in a series of reports for the UFS, for the other higher education institutions, and for the province. The unit is collaborating with Dr Matthew Cronje (Department of Criminology) on this project, which is led by SK Luwaca and Giselle Baillie.

One of the focus areas of the Department of Communication and Marketing is to optimise internal communication through the conceptualisation, design, rollout, and implementation of awareness campaigns aimed at providing students with adequate information on safety and security. In 2019, the department undertook several campaigns, including on- and off-campus student safety, awareness messages and tips about mental health (including emotional safety and trauma), sexual and gender-based violence (GBV), road safety, etc. Other activities were the 'End Gender-based Violence Campaign' and the 'Kovsie Insider Series', as well as 'The Real Men's Conference on Gender-based Violence', which was particularly successful. The initiative, featuring prominent male voices on the three campuses, was launched as part of the 16 Days of Activism for No Violence against Women and Children campaigns (observed each year from 25 November to 10 December). The campaign aimed to spark a male-led conversation around gender-based violence.

Housing and Residence Affairs (HRA) works closely with Protection Services to continuously improve the standard of security at student residences. Shortcomings identified in the monitoring system were successfully addressed through the upgrading and improvement of the security systems. UFS students struggled for many years with transportation to and from the UFS, especially when attending evening classes. In an effort to relieve the urgent need, the UFS entered into negotiations with the taxi associations in 2018, continuing in 2019, to provide affordable services to UFS students. The following was agreed on:

- Taxis are made available between 06:00 and 19:00, servicing the Brandwag area from the UFS taxi rank.
- Point-to-point service at night: (a) Campus Shuttles provided a service between 19:00 and 24:00 (later if needed) on the hour or when full, servicing the areas of Willows, Universitas, and Brandwag.
- Students, especially those with NSFAS and other bursaries, can use vouchers to pay for the services. Arrangements were made with the Department of Finance regarding the management of vouchers, enabling the students to use vouchers. Students who pay cash could purchase vouchers in advance or pay the shuttle driver directly. Other bursary recipients visited the Department of Student Finance for assistance.

It is important for the UFS that the transportation service remains zero subsidised, especially since the service will initially only be for students within a 5 km radius. Ongoing discussions with the Mangaung Metro Municipality and the provincial government for a bus rapid transport system to establish an affordable transport system serving all UFS students, were continued in 2019.

The **Department of University Estates** contributes to enhancing student health and safety on campus. On the Bloemfontein Campus, all high-risk buildings and 18 residences have appointed emergency functionaries (firefighters, emergency evacuators, and first aiders) and emergency evacuation drills are completed as required by legislation. The ICT Services building have also completed a suspicious package/bomb drill. Similarly, on the Qwaqwa Campus, all eight residences have appointed emergency functionaries (firefighters, emergency evacuators, and first aiders) and emergency evacuation drills are completed as required by legislation. On the South Campus, the

two residences (as of 2019) and the Ukubizana Building have appointed emergency functionaries (firefighters, emergency evacuators, and first aiders) and emergency evacuation drills are completed as required by legislation. Additionally, 74 staff members and 123 students received Level 1 First Aid training, while 114 staff members and 140 students received training in firefighting.

Healthcare services

The services provided by the UFS Health and Wellness Centre attempts to decrease the difference between students who have higher levels of personal resources compared to those who have less. The services offered to students include workshops to teach students to take responsibility for their own health (preventative care) and also assist students during illness (diagnose, treatment, and support). Medical services are also provided to UFS staff. Additional services provided by the centre include the services of general practitioners, a sports physician, and a physiotherapist. Primary healthcare (PHC) receives support via a memorandum of understanding with the Department of Health (DoH) to address the medical needs of students who do not have a medical aid. Through this arrangement, students can access consultations, medication, family planning, and HIV services (testing, counselling, and treatment). The doctors and physiotherapy services are delivered as an entrepreneurial initiative to generate third-stream income as well as ensuring the sustainability of the centre.

With regard to preventative care, several contact sessions with students took place during 2019. Workshops on responsible sexual and healthy behaviour were conducted. During these workshops, topics on unhealthy behaviour, e.g., smoking, drugs, and alcohol were also addressed. Six awareness campaigns were conducted to encourage students to test for HIV and screen for STI/TB and non-communicable diseases. Further actions include the distribution of condoms (male and female) and the promotion of access to pre-exposure prophylaxis (PrEP). Peer educator training was done to assist with awareness among students. The peer educators were trained in the following modules: HIV/AIDS/STI/TB; women's health; men's health; alcohol and drugs; and gender-based violence. The Health and Wellness Centre on the Bloemfontein and South Campuses, in collaboration with Student Counselling and Development (SCD) and the Center for Universal Access and Disability Support (CUADS), conducted a two-day workshop on mental health and disability. The objective of the workshop was to train peer educators in order to conduct awareness campaigns on mental-health challenges and disabilities; to promote access to mental-health and disability services; and to address stigma related to mental health and disabilities.

A holistic approach was used to treat and support students with various health challenges. A large number of students accessed the primary healthcare services rendered by professional nurses. A big concern was the number of students who had mental-health challenges. Anxiety, depression, and stress are among the top diagnoses and students were referred for counselling and treatment where necessary. The Health and Wellness centre received several transfers for HIV and TB treatment as well as support during 2019.

In October 2016, an HIV support system was initiated with one student and a committee member in the group. Since then, the support group (the best club) has grown to 160 HIV-infected members. The main purpose of the club is to support and help newly infected members to accept their status, adjust to a new lifestyle and acknowledge each other, and to teach the group about HIV, e.g. viral load, CD 4 count, etc. One of the professional nurses in the Health and Wellness Centre is passionate about HIV; she initiated the group and is also coordinating the activities of the group together with the committee members. She also created a dedicated WhatsApp group for 24/7 availability. Currently, the group is very efficient; it helps to break the stigma and is also the first step to disclosure. The group has regular chatroom sessions, where they focus mostly on destigmatising and disclosure. Although the professional nurses' focus are mostly students, the support group is available for staff and students. When a student is diagnosed with HIV, the professional nurse will initiate treatment (if the student is ready) and immediately link the student to a member of the club (with the permission of the student) to act as a treatment buddy (considering age, gender, personalities, and studies). The treatment buddy plays a vital part in helping the newly diagnosed with accepting their status and adhering to treatment. They will report any problems to the professional nurse, e.g. possible depression, anxiety, etc. The professional nurse communicates continuously with students on the WhatsApp group. She currently provides services on the Bloemfontein and South Campuses. The plan is to visit Qwaqwa early in 2020 to investigate the possibility of starting a support group there as well.

3.1.2. Renew and transform the curriculum

3.1.2.1. Overview of indicators

Curriculum renewal and transformation is one of the UFS's main strategic goals. This process includes the content and structure of the curriculum, as well as the pedagogic relationship. As such, the university has undertaken an extensive review of all its curricula, driven by external processes. The aim is to achieve a transformed curriculum that is globally competitive but also locally relevant. A transformed and decolonised curriculum will reflect a variety of ways of knowing. It will engage students in their own learning and provide them with the necessary tools to access knowledge. In addition, the changing dynamic of graduate employment worldwide, driven largely by the emergence of the Fourth Industrial Revolution (4IR), has necessitated higher education institutions to produce graduates who are employable and work ready.

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The UFS selected the employment of its graduates as the KPI for its performance towards achieving this goal. This is measured through the UFS Graduate Exit Survey (GES). The GES is designed to gather feedback from the most recent graduating class on their academic and campus experiences, as well as their plans for the future. The data collection process is through a self-administered questionnaire that is completed in an online platform. The results of the data collected from the 2019 graduating cohort reveal that 60% of graduates were already working/had accepted a job offer at the time of their graduation. This exceeded the 40% target of 2019 by 20%. While graduate unemployment is not a crisis in South Africa, graduate underemployment remains a concern. Thus, the university also monitors the employment qualification match – i.e. the extent to which an employed graduate's job is related to their qualification - as an important indicator of graduate employability. It is encouraging that 54% of the graduates reported that their jobs were directly related to their qualification, a further 29% indicated that their jobs were partly related. Only a small fraction, 11%, indicated that their jobs were unrelated to their qualification. Furthermore, 71% of graduates indicated that they gained permanent employment, which is an important indicator of job security.

The last quantitative indicator that the university monitors with respect to curriculum transformation concerns the pedagogic relationship between students and lecturers. The 2019 SASSE results suggest relatively low levels of meaningful, substantive interactions between students and lecturers. However, in general, senior (SNR) students reported more interaction with staff compared to first-year (FY) students. To this end, there is room for improvement in the quality and frequency of interaction between staff and students.



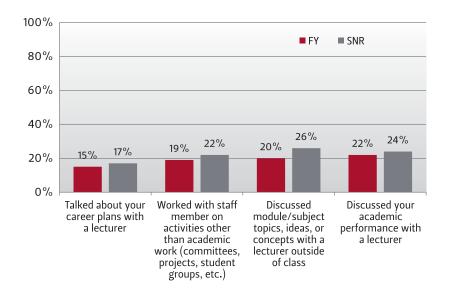


Figure 5: Student - Staff Interaction

3.1.2.2. Develop curricula that is locally relevant and globally competitive

A large part of fulfilling our vision of 'excellence and purpose' for 2019, lay in ensuring that we were indeed producing knowledge that was locally relevant and globally competitive. The strategic leadership and support in transforming the curriculum in terms of relevance and alignment with the local needs and global trends and demands is housed in the Centre for Teaching and Learning (CTL) under the auspices of the Vice-Rector: Academic. In 2019, the CTL coordinated the development of the Learning and Teaching Strategy, which was approved by the Senate. Priorities central to the strategy include: fostering the development of graduate attributes; student learning and success as the focal point; curriculum responsiveness; flexible learning and teaching design; empowering academics for 21st century teaching; and quality-focused, research-led learning and teaching.

The UFS has also identified engaged scholarship as one of the pathways to contextualise and decolonise the curriculum. The Directorate: Community Engagement has spearheaded the shift towards engaged scholarship as repertoire through which curriculum can be decolonised and become responsive to local and broader societal challenges. This includes creating enabling environments and strategies for students, academics, and external communities to actively participate in engaged teaching and learning, engaged citizenship, and engaged research that feed back into the curriculum.

Faculty and support service initiatives on curriculum relevance and global competitiveness

In 2019, the Departments of Economics and Finance, Industrial Psychology, and the BCom programme in the Faculty of Economic and Management Sciences (EMS) went through a review. With both the external and other continuous review initiatives, EMS prioritises a particular focus on decolonising the curriculum. Other key curriculum considerations include career development; student support and well-being; and relevance and competitiveness, while infusing elements of the new developments and forces such as the 4th Industrial Revolution. In 2019, the BCom with specialisation in Business and Analytics was approved for implementation in 2020, in line with the demands of the 4IR. The implementation of the recommendations and changes made in the review reports is supported by the EMS task team established in 2019 to spearhead the renewal of the curriculum.

The Faculty of Health Sciences renewed the curriculum of the Bachelor of Nursing programme and managed to take the programme through re-accreditation. The implementation of the programme is underway in 2020. Consistent with technological revolutions such as 4IR, the Faculty of Health Sciences, through the use of virtual reality (VR), has started creating a simulated environment that provides students with an affordable alternative to practise clinical

skills and enhance opportunities and quality teaching and learning. In its programmes, the faculty encourages the embeddedness of cultural competence and emphasises the centrality of healthcare needs in the community. The faculty's annual review of the curricula takes into account the decolonisation of the curriculum by aligning it with the local scenarios, international trends through benchmarking programmes internationally, and restructuring the curricula to respond to the demands of 4IR. The faculty has established various academic advisory boards (AABs) to benchmark graduate employability. The faculty also realised that a high employment rate follows the completion of healthcare internships.

The Faculty of the Humanities has formed a team of six senior academics to spearhead the renewal and transformation of its programmes. Apart from workshops on curriculum renewal, the faculty is undertaking a number of projects under the realm of renewing and decolonising the curriculum. The South African Survey of Student Engagement (SASSE) was conducted in the faculty to understand students' experience and perception of the curriculum. The SASSE results indicated that 58,5% of students perceived the curriculum to be reflective and integrated. In terms of curriculum relevance, 19,4% of the students very often perceive the curriculum to be connecting learning with societal issues, while 39,1% said they often perceived it as such. Initiatives of particular focus with regard to curriculum decolonisation in the Faculty of the Humanities include the seven academic departments' application for the Mellon project on 'Unsettling Paradigms: The Decolonial Turn in the Humanities Curriculum at Universities in SA'. The Centre for Gender and Africa Studies and the Department of Fine Arts were successfully awarded grants of R170 000 at the end of 2019. As part of the curriculum decolonisation self-evaluation process, the faculty established that all departments have started implementing the decolonisation of the curriculum in a departmentally appropriate manner.

When developing the new and revised LLB programme, the **Faculty of Law** followed a process that involved several meetings between the faculty and numerous stakeholders from the public and private sectors. The involvement of external stakeholders facilitated incorporation of the local perspectives to ensure the relevance of the LLB curriculum. The new LLB curriculum emphasises transformative constitutionalism and social justice in the module content as well as in its pedagogical practices (teaching practices and assessment). For the second year, the Free State Centre for Human Rights (FSCHR) presented its interdisciplinary master's course in human rights. The programme opens up access for students from disciplines other than Law to study human rights.

The Faculty of Natural and Agricultural Sciences has developed curriculum transformation and decolonisation guidelines to establish a consistent understanding and strategic implementation across the departments of the faculty. In line with the guidelines, a transformed and decolonised curriculum is envisaged as a curriculum that recognises the diverse nature of the student profile and addresses knowledge gaps to provide epistemological access; that trains for work and a meaningful life; that reveals to students how universal scientific principles and laws and knowledge can be attuned to the local context; that includes non-negotiable ground-breaking, cuttingedge research within local, national, and global contexts; and that requires continuous updating and agency in content and the manner in which it is presented to prepare the graduates. The faculty held consultations of various forms with different industries, used curriculum review recommendations that emerged from quality reviews, and conducted a series of workshops to improve student engagement in an effort to ensure the relevance of the curriculum.

The Faculty of Education has made efforts to make the curriculum and its programmes reflect the local context. The curriculum structure of the BEd degree was simplified and streamlined to reflect only the majors that are closely aligned with subject combinations which the majority of school districts opt for. The Faculty of Education has also been engaging in various activities and processes aimed at promoting the curriculum decolonisation agenda. The faculty hosted a curriculum decolonisation workshop, following which, schools in the faculty commenced with an audit of their modules to determine the extent to which the curriculum content and pedagogical practice were transformed and decolonised.

The Faculty of Theology and Religion piloted curriculum transformation, particularly in the Department of Religion Studies and to some extent in the Department of Historical and Constructive Theology. Initiatives in this regard include reducing the achievement gap, particularly between black and white students; including new content materials focusing on African ideals, knowledge systems, and pedagogies in the existing curricula in order to maintain relevance; developing module guides to deliver a curriculum that is locally relevant and yet globally competitive; interrogating

the marginalisation of particular identities and philosophies of knowledge; and incorporating scholarship from Africa and the Global South.

CTL is spearheading the establishment of the new Curriculum Renewal Institute at the UFS. In this regard, the CTL hosted a workshop in collaboration with the Centre for Teaching Excellence at the University of Virginia, US, with the aim of informing the establishment of the institute. It is envisioned that the institute will empower academics in developing curricula that engage students and prepare them for the 21st century. Further, in an effort to provide curriculum transformation and decolonisation leadership, the CTL hosted a Decolonisation Colloquium that attracted and was attended by 111 staff members, and also embarked on mapping graduate attributes into the curricula of the programmes.

A large part of fulfilling our vision of 'excellence and purpose' for 2019, lay in ensuring that we were indeed producing knowledge that was locally relevant and globally competitive.

The Office for International Affairs (OIA) at the UFS has been at the forefront of establishing initiatives that transform the curricula in relation to international trends and the influence of technology. The OIA coordinates the iKUDU project, funded by the European Union's Erasmus and Capacity Building in Higher Education (CBHE) framework. The €999 881 iKUDUfunded project, which involves ten partner universities, was launched on the Bloemfontein Campus in 2019. It is an innovative project that focuses on virtually connecting large numbers of students through digital technology, allowing them to gain international exposure irrespective of socioeconomic background, gender, or disability status.

The Department of Student Affairs (DSA) collaborates on a continuous basis closely with the CTL to develop a Comprehensive Career Development and Employability Plan for the UFS. In addition, the Student Counselling and Development (SCD) office provides career counselling services. The SCD offers registered and prospective students the opportunity to explore their 'best fit' career by undergoing the career counselling process. The process includes a complete psychometric evaluation of interests, aptitude, and personality, as well as an intensive decision-making process with a professional personnel member.

KovsieSport is developing new sports participation programmes to address the needs and expectations of the students. The programmes are aimed at transforming the sport environment (sport curriculum) and students' campus experience.

In 2019, the Unit for Institutional Change and Social Justice piloted the US leg of the Global Education Programme in partnership with the University of Wisconsin-La Crosse. The Global Exchange Programme works to integrate students into a joint learning environment that addresses difficult histories and legacies of segregation, colonisation, and slavery. The programme provides a high-impact learning experience for diverse student groups, with on-site learning, facilitated academic dialogue, and joint participatory action research between students from the two countries.

3.1.2.3. Revise the structure of the curricula in terms of pathways and graduate employability

The UFS continuously strives to revise the curricula to create effective graduate-empowering employability pathways and enhance graduate employability. The CTL and the Career Office are instrumental in leading and developing a Career Development and Employability Plan with national and international inputs. In addition, the Directorate: Research Development (DRD) is exploring new postgraduate initiatives and programmes for the world of work. The UFS, through its faculties, departments, and units, strives towards establishing mechanisms to enable graduates to have clear paths to employment through careful design and revision of the curriculum of programmes and modules.

Faculty and support service initiatives on curriculum pathways and graduate employability

With an intentional focus on developing curricular pathways for students, the Faculty of Economic and Management Sciences (EMS) considered a curriculum-renewal strategy that concurrently addresses articulation and employability. During 2019, EMS developed the BCom Extended Curriculum programme in Accounting, given that Accounting is still recognised as a scarce-skills area. With the first intake in 2021, this financial-based programme will add to the existing BCom Extended Curriculum Programme, which allows progression to the non-financially based programmes, thereby widening access in this field of study and creating clearer pathways with built-in epistemological access support to students. A new curriculum pathway that addresses the impact of the 4th Industrial Revolution has been considered through the planning of an additional BCom specialisation focusing on Business Management. This programme will have a renewed emphasis on entrepreneurship, marketing, and management by integrating knowledge from various disciplines such as information systems and databases, market research at an undergraduate level, commercial law, and supply chain management.

EMS further embarked on the establishment of a Student Advisory Board consisting of 14 industry and business practitioners. The Student Advisory Board facilitates student exposure to skills, trends, and requirements in their chosen industry through scheduled contact sessions. The EMS also established an Academic Advisory Board to obtain employers' perspective on the needs of the workplace and graduate employability pathways. In an effort to support graduate employability, a business case was developed for the reconfiguration of the BA and BSocSc programmes in order to enhance graduate attributes for greater employability. In addition, the faculty ran a weeklong career fair for Humanities students in collaboration with the Career Services Unit.

The **Faculty of Education** has recognised the declaration of early childhood education as a national priority learning area by the Department of Basic Education. The faculty capitalised on the employability potential of the learning area by developing the Grade R and Early Childhood Care and Education (ECCE) Diploma programmes. Once accredited, the qualifications will provide employment opportunities to unqualified and/or underqualified persons serving as teachers in the early childhood sector, which now falls under the auspices of the Department of Basic Education.

The **Faculty of Law** revised the content and structure of the LLB programme to ensure that graduates are adequately equipped to function optimally on entrance into the labour market.

KovsieSport at the UFS is changing participation opportunities and developing new propositions to create enabling pathways for athletes to craft successful professional sport careers as athletes for themselves.

The qualifications and programmes in the Faculty of Natural and Agricultural Sciences have been specifically structured to cater for the needs of different industries and are in compliance with professional bodies. In addition, industry involvement initiatives such as advisory boards help to acquire information on the skills that students/graduates need in order to be employable in the market.

3.1.2.4. Transform the pedagogic relationship between students and lecturers

Pedagogical arrangements that enable genuine engagement and relationship between students and lecturers are critical for curriculum transformation and equal participation within and beyond the university. Within the broader engaged scholarship, engaged teaching and learning encourage a merged relationship of shared responsibility for learning and development at the interface of triad partnerships among academics, students, and community partners.

Faculty and support-service initiatives on student-lecturer pedagogical relationship transformation

In the Faculty of Economic and Management Sciences, the role of the student association, Commercio, in building the pedagogic relationship between students and lecturers has been invaluable. Steps and efforts in the faculty to strengthen the relationship were, among others, the inclusion of both tutors and students in the compilation of worksheets for practical module-specific sessions. In 2019, students collaborated with lecturers for the roll-out of

the Language Policy in the faculty as well as the implementation of programme-specific student support. Weekly academic discussions took place between tutors and lecturers in A-Step modules. Also, to inform teaching and learning in the faculty, information was gathered from students during the annual module-specific reviews.

The Faculty of Health Sciences emphasises the importance of positive student-lecturer relationship. The Andragogical principles that involve continuous evaluation and feedback across all programmes are actively integrated into staff development. The establishment of community projects such as the CANSA Shavathon and mental-health awareness was deemed valuable in deconstructing barriers between students and lecturers.

The Faculty of the Humanities uses the 2018 SASSE report to monitor the student-lecturer pedagogical relationships. The faculty found that students generally experience the quality of interactions with academic staff as satisfactory, with 62% of the students rating their interaction with academic staff as excellent (23%) or good (39%). These ratings are even better for student interactions with their tutors or facilitators, with 73% of students rating these relationships as excellent (32%) and good (41%). The results of this report suggest that the lack of outside interaction does not necessarily reflect on the quality of the pedagogic relationship in classroom settings.

The Faculty of Law is aware of and attempts to respond to the call for the transformation of the university that challenges traditional hierarchical relationships between students and lecturers. Thus, the faculty is undertaking activities that promote positive and genuine student-lecturer relationship. A research seminar aimed at furthering conversations between students and lecturers was organised and well attended. Similarly, the Faculty of Natural and Agricultural Sciences continues to review the power hierarchies with regard to lecturer-student relationship. The faculty is applying this process across departments and modules to improve collaborative relationships between students and lecturers in terms of curriculum delivery. A series of workshops were conducted to improve student engagement.

In the Faculty of Theology and Religion, the Department of Historical and Constructive Theology started additional reading groups to encourage interested students to develop their disciplinary knowledge and skills. The staff of the Department of Religion Studies make time to develop working and professional relationships with students in order to improve student success. This include lecturers investing time to support students outside of their classroom interactions and tutors who assist students in tackling their curriculum-related challenges.

The **Faculty of Education** conducted student satisfaction surveys in individual modules at the end of the year/ semester to establish if there are concerns that warrant attention.

The **Postgraduate School (PGS)** annually presents a number of courses aimed at equipping supervisors with information on the various supervision models and on becoming a successful supervisor. The PGS recognises the importance of other supervision models such as cohort supervision in enhancing the supervision capacity and relationship between student and supervisor. In this regard, the PGS offers workshops on topics such as mentoring and coaching approach to research supervision; relationship between student and supervisor; supervision agreement and roles and responsibilities of the supervisor; and the Good Supervisor (video series). A supervisor-student agreement must be completed before any supervision takes place. This agreement between the student and the supervisor is in line with principles of academic freedom and integrity, keeping in mind individual responsibility and reasonable autonomy. Both student and supervisor are expected to take ownership of this agreement in a spirit of mutual accountability.

The Centre for Teaching and Learning (CTL) has started a number of initiatives to enhance student and lecturer pedagogical relationships. 2019 initiatives in this regard include Academic Staff and Leadership Development workshops. 710 academic staff members and 165 academic leaders attended a range of workshops. The UFS Teaching and Learning Conference was attended by 240 academics and 16 received Excellence in Teaching and Learning Awards. The CTL also continued the Kgothatsa (meaning 'inspire' in Sesotho) project to give recognition to staff and students. As one of the initiatives to improve the relationship between staff and students, the writing of Kgothatsa participants shows how both students and staff inspire each other.

Internationalisation at Home (I@H), driven by the Office for International Affairs (OIA), is one of the ways in which the UFS creates supportive student-lecturer relationship environments. I@H refers to the purposeful integration of international and intercultural dimensions into the formal and informal curriculum within domestic learning environments. The I@H strategy recognises that hidden curriculum forms a large part of students' learning. I@H

learning experiences are structured according to social and culture-oriented, seminal characterised experiences geared towards transforming the pedagogy of teaching and learning.

The **KovsieSport** programmes contribute to enhancing student-lecturer relationship, as the interaction in sport among and between athletes, support team, and staff provides the opportunity to add values in the broader sense of the pedagogic relationship.

3.1.3. Increase UFS contribution to local, regional, and global knowledge

3.1.3.1. Overview of indicators

Being research-led is a key element of the university's vision. To achieve this, the university has implemented three strategies aimed at increasing its contribution to local, regional, and global knowledge through its research function. The strategies include focusing resource allocation for research and innovation, transformation of the profile and diversity of researchers, and an improvement in the impact and uptake of research.

The UFS continues to identify areas of research that provide a platform for the university to contribute to solutions to issues that are considered a priority to provincial, national, and international needs through large research hubs. Additionally, the UFS has invested in noteworthy research projects located on the different UFS campuses.

The current Strategic Plan prioritises increasing diversity within its research function by transforming the profile of UFS researchers. This is evident from the strategic research funding model and the university's investment in the development of staff capacity. The UFS has a well-established cohort of rated researchers in the following categories, established according to the National Research Foundation's (NRF) criteria: 135 of rated researchers in the A, B and C categories; and 48 researchers under the age of 40 years, who are considered as emerging researchers in the P and Y categories. The total number of rated researchers for 2019 was 183 compared to 159 recorded in 2018. Importantly, the university monitors its cohort of black and female scholars, specifically those who have achieved a rating from the NRF, as they remain the most underrepresented groups of researchers at the UFS and nationally. In 2019, the number of rated researchers from the designated groups (black, Asian, and coloured) increased from 14 in 2017, 20 in 2018, to 34 in 2019. The number of female researchers increased from 44 in 2017, 51 in 2018, to 62 in 2019. These increases are encouraging and are evidence that the targeted investment in research at the university is producing good results.

Publication in reputable international scholarly journals remains a proxy indicator of the quality and reach of a researcher's work. The UFS therefore monitors its rate of publication in international journals¹³ as KPI of its contribution to knowledge production. In 2019, the university achieved 72% in the share of its scholarly article output units published in internationally indexed journals. Therefore, the university achieved its 2019 target of 72%. However, there was a marked decrease from the 86% achieved in 2018. Even though 72% achieved in 2019 is commendable, the university acknowledges that there remains room for improvement in this regard, particularly continuing with the upward trajectory achieved in 2018.

3.1.3.2. Focus resource allocation on UFS areas of strength and distinctiveness

As part of a broad strategy by the UFS to invest in postgraduate education in proven areas of research capability and distinctiveness, senior management identified potential candidate research hubs in 2018, based on their established strengths, uniqueness, and potential for innovation and sustainability. The criteria for identifying potential candidates for this initiative included aspects such as relevance of research focus to issues of provincial, national, and international priority areas in support of the sustainable development goals (SDGs). Additionally, the potential impact of the research on society; contributions to enhance discovery and innovation; potential to attract resources; research leadership; and significant collaboration and engagement were considered as part of the

¹³ Number of research output units generated from scholarly articles published in internationally indexed journals as a share of the total number of research output units generated from journal articles. Internationally indexed journals include all journals indexed in the Thomson Reuters Web of Science (ISI Combined); ProQuest International Bibliography of Social Sciences (IBSS); Norwegian Register for Scientific Journals, Series and Publishers (level 2 only); Scientific Electronic Library Online (SciELO) SA; and Elsevier's Scopus.

criteria for selecting candidates. The research hubs were requested to draw up programmes that indicate their specific performance areas, including transformation for a five-year period of funding. The UFS shall continue to identify new areas of research that will provide a platform for the university to contribute to providing solutions to issues that are considered a priority for provincial, national, and international needs through large research hubs. Further to identifying potential candidate research hubs in 2018, the UFS has disproportionally invested in five SARCHI chairs, the Indigenous Knowledge Systems (IKS) research group, and the Afromontane Research Unit on the Qwaqwa Campus. Additionally, a new SARCHI chair was funded through the NRF by the South African Cities Network (SACN) in 2019. The multi-disciplinary chair will encompass cross-departmental and cross-faculty collaboration.

The Postgraduate School introduced a writing project (writing retreats and writing dyads) in 2018 with funding from the UCDG grant. The purpose of the writing retreat is for staff and registered postgraduate students within departments/ schools/ faculties to undertake two to three consecutive days of journal article writing at the venue of their choice around Bloemfontein, whereas the dyads focus on supervisors and their students within departments/ schools/ faculties to undertake two to three consecutive days of writing their research work for the purposes of their degree at the venue of their choice around Bloemfontein.

3.1.3.3. Transform the profile and increase the diversity of UFS researchers

One of the major goals of the UFS is to transform the profile of its academics and researchers and to increase the diversity of its research staff. To this end, efforts have been made to develop the capacity of students and staff - consisting of postgraduate students, postdoctoral fellows, and NRF-rated staff as well as the professoriate. This is evident from the strategic research funding model and the university's investment in the development of staff capacity. Markedly, transformation of the professoriate project served as another goal aimed at enhancing the profile of the academic and research staff. In order to ensure that the next generation of the professoriate is equipped with skills to navigate themselves and their students successfully in a rapidly changing 21st-century environment, we acknowledge that these skills should be consciously developed. The significance of the transformation of the professoriate is to build on existing initiatives to fasttrack the cultivation of the next generation of professors and to collaborate with and empower younger professional scholars - allowing for a career development programme modelled on the PSP and a broad orientation in both its catchment and conceptualisation. Thirty (30) academic staff members were selected to participate in the programme as part of the initial intake. A group of mid-career academics were also identified to participate in a separate mid-career mentoring programme. Another approach aimed at transforming the profile of staff is the talent management strategy that seeks to translate management actions to deliver talent where required. The UFS is committed to recruiting and retaining quality employees and should therefore also be committed to developing and implementing an effective induction programme for new employees. This programme is an essential strategy for retaining employees, reducing employee turnover,

and fostering effective and outstanding performance.

The UFS continues to allocate
a significant amount of its
resources to identifying,
developing, and facilitating
black and female researchers
to not only apply for rating,
but also to further their level
of qualification and open up
funding opportunities for
these groups.



The UFS continues to increase its investment in the area of research; in 2019, additional investment of between R2 million and R8 million was invested in different research activity areas. Significantly, the majority of postdoctoral research fellowship, doctoral, master's, and honours bursaries were allocated to these research areas. In addition, the senior professor programme received R12 million in 2019; this noteworthy budget was allocated to create and maintain critical mass and influence institutional culture. It is worth noting that in 2019, a significant amount of the research budget (36%) was dedicated to different research areas. However, a total of 56% of our differentiated research strategy was allocated to areas of potential strength. As part of its strategy to increase the diversity of researchers at the UFS, the DRD funds and significantly supports the postdoctoral research fellowship bursary scheme. In 2019, the UFS had 171 postdoctoral fellows, which is 31 more than in 2018. The majority of postdoctoral research fellows (67) were from other South African institutions, 62 from the rest of Africa, 10 from the USA, 20 from Asia and Australia, and 12 from the UK.

Next-generation academics

The Postgraduate School (PGS) offers workshops and seminars to enrich and empower postgraduate students for research. The workshops are presented as supplement to research training that takes place within academic programmes, and it is especially important for students who do not have the opportunity to attend formal research capacity-development opportunities in their departments. The programmes include training on academic writing in the latest research software, advanced methods in qualitative and quantitative research, ethics and intellectual property considerations in technology transfer, conducting literature reviews, and testing conceptual frameworks in different fields. The presenters are drawn from diverse disciplines and universities. The focus is to enable and equip emerging academic scholars, as well as established academic scholars, to increase their research output. Additionally, the programme aims at building capacity in terms of training and workshops on academic writing, grant-proposal writing, advanced research methodology, research software programs, article writing, literature review, referencing, copyright, research-proposal writing, theory and theoretical frameworks, and ethics. The Professional Development Programme (PDP) is another initiative of the PGS that focuses on the career and skills development of upcoming academic staff members through continuous training sessions and monitoring. These academics are usually required to have obtained a master's degree and should have started with their PhD programme.

One of the approaches used by the PGS in the development of academics is training supervisors in the supervision of students' theses. Academic supervisors are almost exclusively self-taught, with some experience; in some cases, they lack efficiently developed supervisory, writing, and language skills. To address these challenges, the PGS developmental opportunities (including workshops and language software) engage in continuous research and policy development and the creation of opportunities to contribute to the well-being and goal attainment of the postgraduate community. In 2019, the supervision training programme covered the following aspects: roles and responsibilities of the supervisor; introduction to supervision skills; optimising the supervision experience; thesis examination; negotiating supervisory agreements; science of supervision; and policy on master's and doctoral studies. The research capacity workshops that were organised, covered aspects such as plagiarism; fraudulent publishing; qualitative, quantitative research; research methodologies; proposal writing; and literature review. The software used in the training programmes included, Atlas.ti; NViVO, Mendeley, SPSS, EvaSys, EndNote, TurnItIn, Excel, Word.

Capacity development at faculty level

One of the seven strategic goals of the UFS is to transform the profile of its academic cohort and increase the diversity of UFS researchers by means of changing the institutional culture. The UFS has a well-established cohort of rated researchers under the following categories, established according to the NRF's criteria: 135 of rated researchers in the A, B and C category; and 48 researchers under the age of 40 years, who are regarded as emerging researchers in the P and Y categories. The total number of rated researchers for 2019 was 183, compared to 159 recorded in 2018. Of the seventeen NRF-rated researchers in the Faculty of Health Sciences, fifteen are white, one Black, and one Asian. Ten (80% white) of these are male and seven are female (all white). The rating categories are: one B3, six C3, six C2, one C1, and three Y2.

Research capacity development for 2019 focused on staff and students. Researcher capacity-development activities were provided to postgraduate students, postdoctoral research fellows, and researchers. Additionally, the Directorate: Community Engagement designed a programme to support the development of diverse UFS researchers to establish a cohort of expertise imbued with excellence and a drive for transformation through engaged scholarship. Mentoring and research-supervision programmes were organised to equip academics by developing their skills in teaching, supervision, and research activities. To this end, activities were organised that cater for the needs of both emerging researchers who want to increase their research productivity, and established researchers who want to submit applications for NRF rating. Strategies implemented as part of this programme include research supervision workshops, supervisor skills, grant-proposal writing, thesis examination, manuscript development workshops for staff, and mock NRF-rating evaluations. It also assists to capacitate supervisors in terms of the different supervisory models. Furthermore, the PGS annually presents a number of courses aimed at equipping the supervisors with information on the various supervision models and on becoming a successful supervisor. We acknowledge the need to improve supervisory capacity among young academics, which will ensure diversity among UFS researchers. The topics covered in 2019 included: conventional and unconventional studentsupervisor relationship, effective and efficient PhD supervisions, fraudulent publishing, introduction to supervision skills, mentoring and coaching approach to research supervision, models of supervision, roles and responsibilities of the supervisor, and thesis examination.

The UFS continues to allocate a significant amount of its resources to identifying, developing, and facilitating black and female researchers to not only apply for rating, but also to further their level of qualification and open up funding opportunities for these groups. In 2019, the number of rated researchers from the designated groups (black, Asian, and coloured) increased from 14 in 2017, 20 in 2018, to 34 in 2019. The number of female researchers increased from 44 in 2017, 51 in 2018, to 62 in 2019. A total of 42 UFS staff members studying towards postgraduate degrees were supported through the staff study support grant in 2019. Of the 42 staff members, 14 were studying for master's degrees (33%) and 28 for PhDs (67%). Remarkably, 21 (50%) of the 42 staff members have completed their degrees, and these degrees shall be conferred by the end of 2020. This has contributed to an increase in the PhD degrees of academic staff at the UFS.

At faculty level, four strategic research hubs were established in the Faculty of Health Sciences, namely indigenous knowledge systems, vector-borne and zoonotic diseases, the cancer research group, and the cardiothoracic and cardiology research group. Additionally, the inter-professional expertise within the School for Allied Health Professions focuses research efforts on two main fields – maternal and paediatric care, and wellness and well-being. Beyond the activities of the strategic research hubs and inter-professional expertise, the NRF-rated researchers focus on strengthening the distinct areas of contribution by the university.

The Free State Centre for Human Rights (FSCHR) in the **Faculty of Law** established two research focal points that are specifically focused on local context: the right to development in Africa (from which a major international conference was presented on the UFS Bloemfontein Campus in September 2019, resulting in the publication of an edited collection and a special edition of a journal); and protest and political activity at South African universities.

In 2019, the Faculty of Natural and Agricultural Sciences (NAS) funded 15 projects through central research funding. The faculty focused its resource allocations on equipment and the capacitation of academic staff members to enable them to increase research outputs geared towards knowledge production and contextual pedagogies. This is in line with the vision of the university to become a research-led institution. As part of the initiative to improve the research innovation and strategy of the Faculty of Natural and Agricultural Sciences, young and upcoming researchers were supported with funding from the Central Research Fund. In 2018, the faculty funded 22 projects of young and upcoming researchers to undertake various research projects, and in 2019, 15 projects were funded. Additionally, the Directorate: Research Development (DRD) supports the faculty with grant applications and NRF applications for ratings and grants. Most of the applications submitted by young and upcoming researchers have resulted in positive outcomes and success.

The Faculty of Education established eight functional special interest groups (SIGs) that cut across a number of education sub-disciplines to create areas of distinctiveness for research within the faculty. All the staff members belong to one or the other of the different SIGs, including staff members from the Qwaqwa Campus. The SIGs are led by experienced researchers serving as coordinators, with at least three colleagues with PhDs in the area of focus

as core members to ensure the success of the SIGs. In addition to ensuring that all academic staff are research active in the faculty, the SIGs have two other additional benefits: first, they serve as a platform for mentoring young scholars by the more experienced academics in the SIGs; second, the SIGs also enabled the creation of communities of practice with both academic staff and postgraduate students as active participants. The faculty provides financial support to all the SIGs through a special research grant based on the SIGs programme of action for the year. This collaboration through SIGs is therefore encouraged and rewarded through funding support from the faculty's own budget.

Similarly, the **Faculty of the Humanities** received a grant of USD\$436 615 (ZAR 6 592 199) from the Andrew Mellon Foundation in support of a more inclusive professoriate. In 2019, publication rates of the fellows increased, with two of the fellows taking up Mellon postdoctoral fellowships to spend time abroad. One fellow obtained a Torch Mellon fellowship, while another spent his final year of a two-year Alexander von Humboldt postdoctoral fellowship at the University of Bayreuth in Germany. Additionally, the faculty hosts a diverse body of research fellows from all over the world. A total of 51 NRF-rated scholars were recorded in 2019 – 48 in Bloemfontein and three in Qwaqwa. In terms of staff development, three staff members (two in Bloemfontein and one in Qwaqwa) obtained their doctorates.

of 75% of staff acquiring doctoral degrees by 2030 (DHET, 2019), the UFS continues to put measures and procedures in place that will ensure that many academics obtain their doctoral degrees.

Appointment and promotion of academics

The appointment and promotion of academics in higher education institutions in South Africa remains a priority of government and the management of institutions. In line with the NDP target of 75% of staff acquiring doctoral degrees by 2030 (DHET, 2019), the UFS continues to put measures and procedures in place that will ensure that many academics obtain their doctoral degrees. The appointment of persons from the designated groups with PhD qualifications is one of the priority areas of the Faculty of Economic and Management Sciences.

Currently, there are 117 staff members with doctoral degrees in the **Faculty of Health Sciences**, while 22 staff members are enrolled for doctoral degrees. The majority of the SAHP staff are still on junior lecturer level. Additionally, there are mentoring programmes designed to improve the research skills of emerging researchers and support the research drive of the faculty. In total, there are 17 postdoctoral and research fellows, 582 enrolled, and 50 graduated postgraduate students in the faculty. Students in the faculty are purposefully selected to increase the diversity profile.

The Faculty of Natural and Agricultural Sciences (NAS) was actively involved in improving its equity profile by appointing more staff from the designated groups. In some departments, it is difficult to fill some positions with staff from designated groups due to either lack of specialised skills or the field of expertise. To address these apparent challenges, the faculty has been working since 2017/2018 in collaboration with its Human Resources Business Partners to advertise positions at different times and on different platforms in order to access a bigger pool of candidates. Notwithstanding these challenges, the faculty appointed 48 staff members in 2017, 35 of whom were from the designated groups. Similarly, of the 37 permanent appointments made in 2018, 28 were from the designated groups, six of which at lecturer to professor level. As part of the contract appointments



in the faculty, ranging from research assistants, academic facilitators, part-time lecturers to affiliated staff, 352 of the 542 appointments were from the designated groups. In 2019, the faculty made 53 permanent appointments; 36 of these appointments were from the designated groups, 26 were female, and 27 were male. Furthermore, these positions were spread across different races – 31 were Africans, 5 Coloured, and 17 were White candidates. The faculty shall continue to engage with its HR Business Partners regarding recruitment strategies and measures, including headhunting, to find suitable candidates from designated groups.

The Faculty of Theology and Religion received a UFS grant for a postdoctoral researcher from Nigeria who obtained a doctoral degree from Rome. Additionally, the faculty has developed connections with both local and international researchers working as research fellows in the departments. These researchers contribute towards transforming the institutional profile and increasing its diversity.

The Free State Centre for Human Rights (FSCHR) under the **Faculty of Law** appointed four doctoral fellows, two of whom are black (one male, one female) and two of whom are white women. The centre also enrolled three full-time doctoral students – two black women and one black man – and appointed two master's students as research assistants (one black female and one black male).

Postgraduate education

The **Postgraduate School** established new funding for research master's and doctoral candidates in an attempt to promote interest in research. Applicants who utilised this bursary scheme were required to complete their qualifications within a stipulated time frame, and their progress is monitored annually. The faculty benefited immensely from this funding model. Postgraduate students (master's and PhD) assist with lecturing in some classes, depending on the needs analysis. A faculty honours bursary fund was established as part of the faculty ITP in order to attract and support our students better. A total of 2 093 students attended the PGS workshops in 2019, of which 479 were working on PhDs, 875 on master's, 206 on honours, and 519 did not indicate their current qualification. Strategies to attract more postgraduate students to the UFS include tuition bursaries and other funding support. The postgraduate student supervision relationship is maintained through a signed contract between the student and the supervisor. The contract outlines the expected nature of the engagements, the climate to be nurtured, and the deliverables.

The Faculty of Education continues to host the only national research chair in South Africa focused on Science Education, led by Professor Loyiso C Jita. The SANRAL Chair in Science and Mathematics Education produced 15 PhDs and 3 master's graduates in 2019, putting its total tally since 2014 on 29 PhDs and 7 master's graduates, with 65 published articles in the same 5-year period. The impact of the doctoral students produced in the faculty can be seen from the national and regional impact these young scholars are making in the field of education. For example, in addition to being the director of the best performing district in South Africa, Dr Chuta – a chief director in the Department of Higher Education and Training – was also one of the 2019 graduates whose research was hosted and supervised in the SANRAL Chair within the faculty.

3.1.3.4. Increase research impact and uptake

Globally, one of the core mandates of universities is to maximise the expertise of researchers through innovative research outputs based on excellence and creating an impact at the local and international domains. At the national level, the Policy and Procedures for Measurement of Research Output of Public Higher Education Institutions introduced in 2004 has led to improved research reporting and increased research publication outputs from universities¹⁴. The UFS acknowledges that the gains of increased research and uptake includes visibility and standing, and therefore requires researchers to demonstrate unparalleled research expertise by disseminating findings that are acknowledged locally and globally. Additionally, we acknowledge the importance of collaborative relationships with diverse stakeholders – from the local community, through private sector businesses, to global research leaders in the attainment of distinct research outputs. As part of its contribution to increasing research impact and uptake, the **Department of Communication and Marketing** profiled and positioned the university's research and researchers

¹⁴ DHET (2019). Annual Report 2018/19. Department of Higher Education and Training Vote 15. Available at: http://pmg-assets.s3-website-eu-west-1.amazonaws.com/DHET_Annual_Report_201819_WEB.pdf Accessed on 6/4/2020

on communication platforms such as the website and social media and through local and national print, broadcast, and online media. Video clips showcasing the university's research successes were recorded and published on the communication platforms, especially social media.

Research activities in the School for Allied Health Professions (SAHP) are tuned towards national priorities (such as the double burden of disease and triple burden of malnutrition). Various pioneering research collaborations are housed in the faculty such as in next generation sequencing, medical physics, cardiothoracic surgery (Medtronic), nursing (MEGA), and virology (BSLB3). The faculty hosted national conferences such as the South African Association of Health Educationalists (SAAHE), with various staff involved in organising and presenting. 409 publications were produced by 202 staff members in the faculty. This translates to an average of 2.025 publications per staff member. Deep learning has been introduced in the research on nuclear medicine, diagnostic imaging, and oncology. These trending areas of research are driven by the 4IR.

The Faculty of Law undertook several initiatives to increase research impact and uptake, e.g. organising a research day, hosting the annual International Mercantile Law Conference, and funding several academics to attend and present papers at international conferences.

In 2019, Acta Academica (a UFS/Humanities-based journal) published its first two issues under the leadership of the new Editor in Chief, Prof Henning Melber, a research fellow in the Centre for Gender and Africa Studies. Another Humanities-based journal, The Journal for Contemporary History, underwent a major transformation, culminating in a name change to the Southern Journal for Contemporary History, a revised remit focused on the historiography of the Global South, and a completely revamped editorial board under the leadership of Prof Neil Roos. The preliminary research output for 2019 shows 20 authored books, 138 chapters in books, 15 conference contributions, and 287 journal articles. NRF-rated scholars in 2019 stood at 51; 48 in Bloemfontein and 3 in Qwaqwa. Other 2019 activities include a colloquium to mark the 40th anniversary of the establishment of the Congress of South African Studies by the Department of History, and the African Language Association of Southern Africa (ALASA) Conference hosted by the Department of African Languages. Some academic staff members were also invited to deliver keynote speeches at local and international conferences, seminars, and lectures. The Department of English and the Centre for Gender and Africa Studies hosted two of the official faculty lectures, namely the prestigious Africa Day Memorial lecture (keynote delivered by Prof Francis Nyamnjoh) and the Humanities and Gendered Worlds Biennial lecture (Jack Halberstam).

The Faculty of Natural and Agricultural Sciences had 79 NRF-rated researchers in 2019 and 14 more was submitted in the faculty, which also contributes to its high research outputs. Each year, the faculty has the most applications for NRF-rating submissions. There are 23 different departments in the faculty working closely with industry and other institutions/organisations on specific research interests (variety of themes) to increase the research impact. The Dean and some staff members from the Department of Agriculture within the faculty have also established good relationships/partnerships with institutions in Africa to broaden research interests and to become more relevant in the African context; this is an ongoing process. The Postgraduate School established new funding for research master's and doctoral candidates in an attempt to promote interest in research. Applicants who utilise this bursary scheme should complete their qualifications within a stipulated time frame, and their progress is monitored annually. The faculty benefited immensely from this funding model. The faculty deals on a wide spectrum with industry in research projects and research-based consulting work. International grants and cooperative projects with universities and organisations in Africa are also utilised. The faculty furthermore boasts the UFS Sensory Laboratory as one of the biggest achievements in the province.

The **Faculty of Theology and Religion** continues to contribute to local, regional, and global knowledge through collaboration and by creating good relationships with young academics and seasoned and renowned scholars around the world. The contribution of these scholars increases the faculty's scholarly activities within local, regional, and global contexts through publications, research collaboration, and guest visits to offer current developments and trends in knowledge. Researchers affiliated with the faculty contributed to the publication of an international book, titled *Expressions of the Johannine kerygma in John 2:23–5:18*. The book was published by Mohr Siebeck in Germany. Retired scholar Martin Prozesky, now a research fellow in the department, has also launched his new book, *Honest to Goodness*. The Department of Historical and Constructive Theology organised two conferences on

'Beauty and Justice' and on 'Election and Hope'. The department also facilitated the visit of Prof Marilyn Naidoo from UNISA, who is the foremost thinker on theological education in the RSA, for a guest lecture in the faculty.

The Faculty of Education contributed to research impact and uptake at the UFS in four major ways: education research conference; writing retreats; managing internationally accredited journal; and seminars. The faculty hosted the annual Faculty of Education Research Conference for all staff. The conference was designed to create a platform for staff to share their ongoing work with their colleagues in order to publicise their research and thus create possibilities for collaboration among members, but also for younger and novice researchers to receive feedback, especially on unpublished and/ongoing work presented. Because this is a platform for all academic staff members, it helps to ensure that all staff members remain research active while looking forward to the showcase session during the annual Staff Research Conference. In 2019, the faculty supported two writing retreats for academic staff - one through funding support from the SANRAL chair. About 15 articles from each of the two writing retreats were submitted to accredited journals for possible publication. All the participants were younger black and/or women novice researchers at the level of lecturer and/or junior lecturer. The faculty's flagship internationally accredited journal, Perspectives in Education, under the co-editorship of Professors Jita and Mokhele-Makgalwa, continues to be the premier journal on education research in South Africa, publishing quality articles from both local and international scholars. The faculty also hosts a Brown Bag Seminar Series (BBS), which is a lunch-hour seminar series designed to provide space for young academics to share their ongoing master's or doctoral chapters and to receive feedback from experienced peers. The seminar involves the nomination of experienced reviewers to read and provide written feedback on the submitted chapters. During the seminar, additional comments and feedback are provided to each presenter. Two seminars each were hosted for the Qwaqwa and Bloemfontein Campuses by the Faculty of Education in 2019. Four staff members graduated in 2019 with their master's and one with a PhD, all participants in the BBS.

The Division of Student Affairs (DSA) Research Office enhanced the number of research outputs and research collaborations in the following ways: (1) facilitated a DSA writing retreat (25–29 November 2019) to foster article writing within the ambit of Student Affairs; (2) facilitated a Student Affairs Research Colloquium (1–2 August 2019). To this effect, scholarly papers were presented by Student Affairs staff. An external reflective scholar was invited to this colloquium to enhance the academic rigour thereof; (3) initiated an academic mentor programme in collaboration with the International Association for Student Affairs and Services (IASAS) to further develop academic and research skills among Student Affairs staff.

Dissemination

During 2018, more than 86% of the journals in which researchers at the UFS published their work, were internationally accredited journals. This is more than the 77% in 2017, which imply a growth of 9% from 2017 to 2018. In the period 2016 to 2019, academics from the UFS co-authored 1698 publications with academics from 1360 universities outside South Africa – the data was extracted from the SciVal database. Additionally, researchers at the UFS collaborated and co-authored 16% of the publication output with researchers from other SA institutions, while 49% were co-authored with researchers from international institutions. Overall, the 2018 units represents a decrease of 2.49 units from the 995.22 units awarded for the 2017 publications, the composition of which is as follows: research output units from books decreased by 56.65 (2017: 239.20), conference proceedings decreased by 12.76 units (2017: 39.71); however, units from journal articles increased by 66.92 (2017: 716.31). The areas that showed growth in subsidised journal articles according to the DHET CESM categories, include Philosophy, Religion and Theology (23.77 units), Physical Sciences (22.27 units), Life Sciences (16.18 units) and Agriculture, Agricultural operations and Related Sciences (3.98 units), compared to 2017. The 2019 publication data is still in the process of being captured on the university research and information management system (RIMS).

The Department of Student Counselling and Development (SCD) presented a conceptual paper on the *UFS Student Toolkit* at the annual Southern African Association for Counselling and Development in Higher Education (SAACDHE) conference. Additionally, SCD Qwaqwa co-presented a conference paper – *Helping students GROW: moving from individual cure to group-based prevention*, at the annual SAACDHE conference. It is worth noting that SCD Qwaqwa is participating in an international research mentoring programme managed by the International Association for Student Affairs and Services to promote the production of relevant research outputs by Student Affairs.



In 2019, the Unit for Institutional Change and Social Justice hosted the SIMAGINE 2019 seminar on 'Social Imaginaries, Social Inclusion, and Decoloniality' at the UFS from 21 to 23 January 2019. JC van der Merwe, Matau Setshase, Giselle Baillie, and Prof Puleng LenkaBula (keynote) delivered papers at the seminar. JC van der Merwe gave lectures and met with the academic coordinator of the MA programme in Educational Studies for the purposes of networking and research collaboration. He also participated in a conference organised by the Cyprus Pedagogical Institute and in an UN-supported project to bring school children from the Greek and Turkish sides together. Since 2014, the University of California (UCLA) from the United States, the Vrije Universiteit Amsterdam (VU) from the Netherlands, and the University of the Free State (UFS) from South Africa, have been organising an annual interdisciplinary conference to delve into dimensions of diversity at higher education institutions across the globe. The 2019 conference was hosted by UCLA from 6 to 8 February under the theme 'Spatial, Intersectional and Student Engagement in an Era of Hate' (UCLA). Dionne van Reenen and JC van der Merwe presented papers, Prof LenkaBula delivered a keynote lecture, and Billy Huff and John Grider (both research associates) also presented papers. Meetings were also held with colleagues from UCLA who are involved in the Academic Advancement Programme and Community Engagement Offices at UCLA.

The Department of Communication and Marketing presented the first Day of Innovation on the Bloemfontein Campus on 18 March 2019. Representatives from various faculties and support-service departments learned about innovation and how it is applied in their different areas of work.

Research conducted by the Centre for Teaching and Learning (CTL) provided leadership around student engagement and success through the national USAf higher education conference and the development of a Student Success Collaborative Forum. The CTL was invited to present a paper at the international conference on Constructing Higher Education Evaluation Systems for the Global Era held at Tsinghua University in China.

The Directorate: Community Engagement participated at local, regional, and international level though networks such as HERDIC-SA, SAHECEF, Global University of Lifelong Learning, and other international universities. The Engaged Scholarship strategy enables the increase of community-based research which is responsive and relevant to societal challenges so that a visible impact can be made in partner communities.

Collaborative research

Research collaborations form part of the activities of higher education institutions aimed at enhancing knowledge production and providing solutions to problems confronting society. In line with global practices and its strategy to engage with local and international institutions, the UFS currently maintains more than 50 institutional collaborations with different institutions. In accordance with the strategic directions of the UFS, the Office for International Affairs (OIA) strives to promote academic collaborative opportunities through strategic partnership development that ultimately translates in accredited co-authored publications. Additionally, the OIA also seeks to diversify the partnership profile of the UFS. In 2019, the OIA enabled the finalisation of nine MoUs, including those with the National University of Lesotho and the University of Ibadan; this included visits to the two institutions. One of the major functions performed by the OIA in 2019 was the preparation of comprehensive briefing notes for UFS stakeholders and advising them on existing collaboration with partner universities and countries, including detailed information on ongoing projects and co-authored publications. Furthermore, the OIA coordinated visits to Indian higher education institutions to develop institutional partnerships, including the University of Delhi and the University of Mumbai. The office also supported the hosting of delegations from a range of international partner universities, including the University of Bremen, Appalachian State University, and the Rosenheim University of Applied Sciences. The OIA supported the Afromontane Research Unit's joint research collaboration with the United Nations, University of Bonn, and EURAC. The office also supported the development of research initiatives under the umbrella of the UFS' international partnerships. The OIA coordinates the UFS' postgraduate joint degree programmes. In 2019, 11 doctoral students were enrolled in various joint degree programmes. A total of 79 international postdocs from more than 30 countries were registered at the UFS in the year under review. Other collaborative agreements reported by some faculties, departments, and units are listed as follows:

• The Dean of the Faculty of Theology and Religion and the HOD of Practical and Missional Theology undertook a visit to Justo Mwale University (JMU) to discuss further collaboration between the two institutions based on an already existing MOU. There are currently five registered PhD students from JMU studying at the University of the Free State.

- During 2019, the signing of a tri-partite agreement between the National University of Lesotho, the UFS, and the Lesotho Highlands Development Authority (LHDA) was concluded. The purpose of the tri-partite agreement is to advise and develop research projects in order to assist the LHDA in the Phase II development process.
- The Unit for Institutional Change and Social Justice became a partner in an international consortium, consisting of 10 European and American partner universities, called SIMAGINE. The consortium is a platform for research exchange and aims to explore the role of social imaginaries within a globalising world. The unit signed a MOU with the Open University of Cyprus and also entered into an Erasmus+ mobility agreement with the Open University; the first staff mobility exchange took place from 11 to 17 April 2019.
- The Directorate: Research Development facilitated interaction with community and industry to enhance the solving of community and industry problems, which also increases research impact. Shared research projects with practitioners are taking place to inform research impact. The impact of research is expanded through communication with various role players in society. The University Graduate Development Programme, in collaboration with the University of Virginia, USA, aims to broaden the contribution to health education trends.

Library services

The UFS Library is actively involved in the global movement advocating for the publication of scholarly output in Open Access platforms. The highlight in 2019 was the Open Science Scholarship Colloquium held in collaboration with the Central University of Technology LIS on 19 November (for more information on the colloquium: https://ufs.libguides.com/c.php?g=967621). This was in response to the national and international Open Access 2020 (OA2020) initiative, which calls on all stakeholders involved in scholarly publishing to endorse the move from the costly subscription-based model (paywall) to the transformative open-access model. Stakeholders include universities (management, finance), research institutions, funders, libraries, and publishers. Although the Open Access movement has been in existence for a number of years, its progress has been very slow. Consequently, the OA2020 advocates for open access now – if any wide research impact is to be made. It is important for the UFS community to be well informed about this development, as it would require researchers to commit to action by choosing Open Access journals as their default in publishing. This model of publication "enables unrestricted use and re-use of scholarly outputs and assures transparency and sustainability of publishing costs" (https:// oa2020.org/be-informed/). UFS librarians are able to assist researchers to guard against publication in predatory journals, and a number of training sessions have been held to this effect.

South African universities and research institutions are financially negatively affected by the subscription model of publishing. This model is costly and provides limited access to scholarly outputs meant to contribute to knowledge production for the benefit of the country. The national initiative is driven by the South African Library and Information Consortium (SANLiC), working in collaboration with USAf, DHET, and ASSAF, to negotiate deals for all the country's university and research libraries. SANLiC would require all institutions to play their part in ensuring that South Africa responds

In line with global practices and its strategy to engage with local and international institutions, the UFS currently maintains more than 50 institutional collaborations with different institutions.

collectively towards negotiating for transformational open-access agreements with publishers. The year 2020 will see steps being taken to prepare the UFS for the OA2020 call for action, tackling issues such as developing workflows to avoid double dipping, where researchers pay for article-processing charges, only for the library to pay for access to those very articles.

The green open access, which is an institutional repository (KovsieScholar), is assessed on Google Scholar Transparency Institutional Repository ranking. It places KovsieScholar as number 711 worldwide and 8th in South Africa, after UCT, UP, SU, Wits, UJ, UNISA, and UWC. The size of the repositories influences these rankings, and the quality of metadata enhances visibility and discoverability, which says a lot about the UFS LIS expertise in metadata development. This also confirms the realisation of one of the aspirations of the UFS LIS – to be one of the top-performing national academic libraries.

Besides sharing the faculties' publications on LibGuides, and as part of an integration effort to have an awareness of the academic outputs and acknowledgements, the library also created a platform on Libguides to keep academics abreast and informed on the latest publications. The case in point is using the platform to create awareness among members of the Faculty of the Humanities on issues such as Africanisation, decolonisation, and digital humanities, among others. The library followed discussions and recommended titles that were then added to the collection.

There have been developments in academic libraries worldwide, tackling new trends aimed at positioning libraries as integral to research successes. The library has over the years been working on building capacity to live up to these trends, with the sole purpose of being relevant in supporting researchers. This has been evident in a number of achievements, which inter alia, include a) the establishment of KovsieScholar and Kovsie Journals as open access platforms for dissemination of UFS scholarly output; b) the digitisation of information resources to increase their visibility and thus discoverability; c) the delivery of the research data management services, etc. A total of 6 564 research-related services were delivered (information searches: 3 730 and selective dissemination of information: 2 834).

Capacity building has been one of the focal points in the management of the library and has been undertaken over time to develop research support expertise beyond conducting searches only, to more advanced support services. This has been evident in the nomination of a research librarian – Mrs Hesma van Tonder – for the 2019 Research Support Award by one of the university's seasoned researchers. This is what Prof Andre Wessels had to say about Mrs van Tonder: "She is an example of professionalism: always prepared to assist; always willing to walk the extra mile; always providing accurate information, and providing it very quickly; and she is always very kind and friendly. She also plays an important role in keeping intact, and, where possible, further expanding the UFS library's Africana collection – an indispensable source of information for staff and students." Among others, research librarians successfully delivered the following services:

- Impact assessment: researchers were assisted in using Altmetrics and Bibliometrics to determine the impact of their research output, information that is also essential when they apply for promotion, NRF rating, and grant proposals. A total of eight researchers were assisted with their h-index and other metrics required for NRF applications.
- Researcher profile: two researchers were assisted with the creation of their digital profiles, enhancing their visibility to possible collaborators.
- Open researcher and contributor ID (ORCID): LIS consider ORCID as one of the most important tools that all researchers should use to acquire unique identifiers as authors and contributors of knowledge. This ID allows researchers to claim their publications, irrespective of where they operate from.
- Predatory journals: research librarians provided advice on indicators that assist to avoid falling into the trap of submitting manuscripts to questionable publishers.

An investigation into the e-research services has led to the notion of digital scholarship, a broader concept that is believed will serve the UFS much better, embracing research support in totality. A decision was taken to establish the Digital Scholarship Centre, which is an intervention that will set in motion a one-stop service option for researchers. A survey that was conducted as part of the investigation brought to the fore all sorts of challenges that researchers are faced with, hampering progress in the completion of their research projects. It was found that researchers have, for example, challenges with data collection, analysis and storage, lack of computer hardware and software, and the lack of communication tools for proper collaboration, to name but a few. The centre will mainly facilitate



all research support in the form of virtual access to services and provide the physical space for on-hand services required, for implementation from 2020.

A number of reading and writing activities have been implemented as a way of contributing towards developing a reading and engaging nation, thus improving on academic success, life-long learning, and the aim of regionally engaged scholarship/university. It has also been noted that such vibrant engagements, which include researchers launching their books, contribute to a research-led university, exposing students to the world of research, and affording them the opportunity to discuss researchers' works in an informal environment. Some of the books chosen are of academic importance, while others address topics of national interest, such as violence against women and children, racism, etc.

The Umoja Buddy Programme

(UBP) is a flagship

Internationalisation at Home

programme aimed at the

smooth academic, social,

and cultural integration of

first-entering international

students at the UFS, who

are paired with senior UFS

students.

In 2019, more academics collaborated with the library in launching their books, which is highly appreciated. An effort is made to channel activities towards the celebration of national and international reading events, such as the South African Library Week, World Book Day, Literacy Day, Youth Day, etc. However, the book launches have become popular to the extent that most of them are no longer linked to any event, but to the author's preference. It is fast becoming the norm that the library no longer goes all out to look for books to launch, but that authors from the UFS and members of the Mangaung community are contacting us with requests to host these events. This tells us that people value these launches, which is also apparent from the numbers that are attending.

A total of 10 book launches (with two Sesotho books) and 10 book reviews were held. The library had an opportunity to host the former PAC secretary general, Thami ka Plaatjie, on 6 November 2019 for the launch of his book, titled *Sobukwe: The Making of a Pan Africanist Leader.* The theme of the launch was 'The travesty of justice in relation to public memorialisation of Sobukwe'. This was a diverse launch that also attracted members of the community, registering 112 attendees. Books launched by academics included: a) *The world looks like this from here: Thoughts of African Psychology* by Prof Kopano Ratele (Department of Psychology); b) *Victimology in Africa* by Prof Robert Peacock (Department of Criminology); c) *Narrating the Everyday: Windows on Life in Central South Africa* by Prof Jan K Coetzee and Dr Asta Rau (Department of Sociology); and d) *Getting it Right* by Prof Philippe Burger (Department of Political Studies and Governance, the Osaka School for International Public Policy and the Faculty of Economic and Management Sciences).

Internationalisation

The Office for International Affairs (OIA) contributes to the diversity of UFS researchers through its partnership development, immigration support, strategic projects, and scholarships portfolios. Through the work of these portfolios, the OIA supports the recruitment of international students and staff. The OIA participated in student recruitment drives in line with the priority areas of the UFS outlined in the Internationalisation Strategy. Notable activities were participation in the Botswana Tertiary Education Fair, which was held in Gaborone, Botswana from 25 to 29 March 2019, and participation in a UFS recruitment drive in Lesotho in September 2019. In 2019, the Faculty of the Humanities continued to pursue high-quality

scientific outputs that were not only locally relevant but also globally/regionally connected. The Dean and other colleagues undertook internationalisation initiatives to the University of Ibadan, Nigeria, and institutions in India (e.g. Jawaharlal Nehru University, South Asian University, and Mumbai University). Individual departments also continued to establish partnerships across the continent and beyond. One such example of international partnership is the long-standing Osaka conference (February 2019), jointly hosted by the Department of Political Studies and Governance and the Osaka School of International Public Policy.

The Umoja Buddy Programme (UBP) was officially launched in 2019. It is a flagship Internationalisation at Home programme aimed at the smooth academic, social, and cultural integration of first-entering international students at the UFS, who are paired with senior UFS students. It offers local students an international experience in their domestic learning environment, thereby enhancing their intercultural competencies. The UBP contributes to the achievement of the UFS vision that every student will in the future have an international experience during their studies at the UFS without having to travel abroad.

During the 2019 academic year, the UBP arranged the following integration activities that enhanced overall student cohesion: UBP Mentorship Training; UBP Ambassador Training; UBP Community Engagement; UBP Yoga Initiative; UBP Speed Culturing; UBP Kovsie FM Interview; UBP: Social Media as a driver of Internationalisation at Home.

For the 2019 period, a total of 1 539 international students were registered. Most of these students hail from the African continent. A total of 79 international postdocs from more than 30 countries were registered at the UFS in the year under review. Live webinars are part of the enormous success of 2019; with live webinar sessions, we were able to reach and train different students and staff, irrespective of whether they were in Cape Town, Gauteng, Lesotho, Namibia, Zimbabwe, etc. Semester exchange programmes and scholarship opportunities enhance the overall graduate attributes of students, and particularly their international and intercultural competencies. In 2019, the OIA has supported more than 10 UFS students to secure semester exchange and scholarship opportunities.

3.2. Report on Engaged Scholarship

The UFS has strategically located engaged scholarship as a critical anchor in maintaining the relevance of the academic syllabus, linking real local needs to the global knowledge project. The institution aims to support social justice¹⁵ and development through this core function (by promoting the application of produced knowledge).

3.2.1. Support development and social justice through engaged scholarship

3.2.1.1. Overview of indicators

The application of knowledge is the core of engaged scholarship. It is about the citizenship of the university; its social responsibility to greater society; and about enriching the curriculum, research efforts, teaching, and student attributes through interaction with the diverse community within which the UFS exists. It is where the 2019 goals of 'excellence and purpose' are practically realised and tested within and by the community the institution aims to serve.

The UFS monitors its support of development and social justice through engaged scholarship by measuring the level of student participation in service learning. Figure 7 shows the share of undergraduate students who report that they have participated in a community-based project (service-learning), as measured through the SASSE. As can be seen in the figure below, results show participating students reporting that 62% (some, most, and all modules) of their modules have included service learning in 2019, which indicates an increase compared to 59% in 2018. The UFS did not set a 2019 target for this KPI, because all community-based education (CBE) at undergraduate level was reviewed and improvement plans were only discussed in 2019. However, it is encouraging to note that the UFS was able to improve on the inclusion of community-based projects in undergraduate modules during 2019.

¹⁵ Social justice is an understanding of the principles and practices which promote compassionate and fair distribution of the resources of a society. In the context of South Africa, it covers the notion of redress towards those who have suffered discrimination and exclusion.

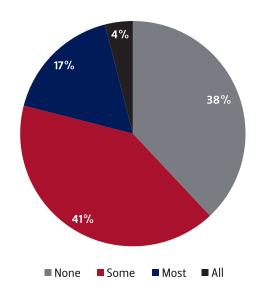


Figure 6: Modules/subjects that included a community-based project

The secondary indicators of engaged scholarship at the UFS concerns the participation of academic staff members. The evidence presented in this chapter shows that academics are involved in many projects at faculty level and their participation in disciplinary related organisations and bodies. In addition, the university annually presents awards for the recognition of engaged scholarship work done by academic staff members.

There are three units at the UFS that play a key role in relation to social justice and engaged scholarship – the Directorate: Community Engagement (DCE), the DSA, and the Unit for Institutional Change and Social Justice. The DCE has initiated flagship projects for community development, in addition to structures established in faculties and departments in the form of advisory committees or boards. The collaboration of these various structures has a positive impact on the infusing of engaged scholarship in institutional practices and programmes. The following narrative details the achievements of these three units during 2019, as well as engaged scholarship activities at faculty level.

3.2.1.2. Increase the number of academic staff who are involved in engaged scholarship

The UFS views engaged scholarship as an enabler for the application of academic scholarly work and professional expertise, with an intended public purpose and mutual benefit. Such practice demonstrates community engagement with external (and non-academic) constituencies. Thereby, staff and students engage to co-create new knowledge or integrate knowledge across multi- and transdisciplinary sectors. In addition, engaged scholarship enables the application of knowledge for the improvement of society towards a greater common good.

At the UFS, engaged scholarship is delivered in distinct categories. These include engaged research (e.g. community-based participatory research, action research, etc.), engaged teaching and learning (e.g. service-learning, community-based education, clinical learning etc.), and engaged citizenship (volunteerism). Engaged citizenship is further categorised into academic, student, and institutional citizenship. Academic engaged citizenship refers to the professional work, skills, time, and involvement of academics in professional, community, and other bodies rendered for the benefit of such communities outside of the standard university work. This includes consultancy work for policy development, fundraising activities, community leadership roles, etc. Student-engaged citizenship refers to the work and involvement in community development done through professional and voluntary student organisations, residence programmes, as well as Student Affairs management programmes. University-engaged citizenship refers to the role of the UFS as a corporate citizen and its contribution to the development of communities. This is done in a partnership formed at institutional level to facilitate the development of communities. These initiatives may include economic empowerment and fundraising activities. Together, these categories form a prism of engaged scholarship at the UFS.

Lecturers have been involved in engaged scholarship activities through initiatives such as inter-professional education (IPE), community service learning (CSL), and community-based education (CBE). Academic staff members in the Free State Centre for Human Rights (FSCHR) were involved in a number of engaged research projects, such as the drafting of protest guidelines and an operational plan for managing protest on campus; they were also involved in human rights-related court cases. **Faculty of Law** staff were involved in developing human rights-related short courses on human trafficking and the right to education. In addition, the Faculty of Economic and Management Sciences (EMS) established the Discipline-Based Educational Research Circle (DBERC) as a support structure for academics. It provides support to academics through weekly engagements, writing retreats, provision of critical readers, and assistance and guidance in obtaining ethical clearance for research purposes. This has been expanded to include participants from the Faculty of Health Sciences in order to increase exposure to different approaches to engaged scholarship. Furthermore, the creation of academic advisory boards in faculties enhances engagement, for example, EMS academics can easily access and engage with industry.

In the Faculty of the Humanities, the Department of Fine Arts had a very strong presence during the Vrystaat Arts Festival. The Department of African Languages presented workshops, and the Department of Art History and Image Studies were involved in the Vrynge Festival, among others. The Department of Fine Arts was also active in exhibiting and/or curating exhibitions. The Odeion School of Music Camerata was invited to perform at the launch of the festival. Other departments such as Philosophy participated in book discussions. The Department of Sociology and the language departments played an active role in the Literature Festival. Furthermore, the Faculty of Theology and Religion published a supplement in *Acta Theologica*, the faculty's theological journal, focusing on the unheard voices of society in the Bible and in our world. The contributions discussed the voices that society ignores, oppresses, neglects, discriminates against or rejects, from a variety of scholarly perspectives.

The Science-for-the-Future (S4F) unit is responsible for championing engaged scholarship in the **Faculty of Education** through projects such as the professional development of Mathematics and Science in-service teachers via the Family Math as well as Key Concepts in Science programmes. The 35 515 beneficiaries of the programmes included project participants from predominately rural communities in the Free State, Gauteng, KwaZulu-Natal, Northern and Eastern Cape (542 teachers, 21 433 learners, 12 452 parents). The programmes were elevated during 2019 when S4F embarked on a collaboration with six other South African universities, and in the process, more rural provinces were included. The S4F staff members in the Faculty of Education worked closely with the academic staff of the faculty to align Family Math and Family Science programmes, with some of the core modules offered to the BEd undergraduate students.

The Faculty of Health Sciences Rural Community Initiative (FHSRCI) is the flagship programme for engaged scholarship and social justice in the Faculty of Health Sciences. The goal of the rural community initiative is to develop a community-centred collaborative framework for sustainable, holistic healthcare and social development incorporated in the curricula of the Faculty of Health Sciences. The objectives include the development of equitable inclusive partnerships with diverse stakeholders, leading to social responsiveness and social justice; the generation of a collaborative practice curriculum; an academic centre of excellence; describing the outcomes and impact towards social change; and the transformation of healthcare and educational practices.

Academic staff also participate in disciplinary related organisations and bodies. Staff in the School of Nursing serve in international leadership positions at SAFRI and the US-based FAIMER, focusing on capacity development of lecturers in the Health Sciences faculties in Africa, and AfriPen (Africa International Education Network). A faculty member also serves on the NCCEMD (National Committee on Confidential Enquiries into Maternal Deaths).

Awards won by staff members include a recognition award for Engaged Teaching and Learning to two staff members from the Department of Communication Science (the Faculty of the Humanities). They developed and co-presented a module aimed at developing the community through participation in public speaking. The staff and students in the Department of Drama and Theatre Arts won several awards and nominations for their performance and productions. At the annual Community Engagement Awards Ceremony, recognition was given to outstanding leaders for excellence in community engagement. The Directorate: Research Development also facilitates interaction with community and industry to enhance solving community and industry problems that also increase research impact.

In 2019, advisory committees and boards linked to research units, departments, and faculty were implemented, with the intention of improving the engaged scholarship environment. Notably, the advisory strategy showcases

and discusses relevant curriculum and technology intervention expectations from industry and communities in order to improve graduate employability, research uptake, and closer collaboration with these stakeholders.

Flagship projects

For Library and Information Services, the 2019 flagship project regarding community development was the visit to the Botlehadi Primary School on Mandela Day. What was used as a storeroom full of books was turned into a functional library after cleaning the room, shelving the books, and training the teacher librarian and her library volunteers. Staff also took part in the event on the importance of reading, which was organised in collaboration with the school.

As part of promoting librarianship as a profession and exposing our surrounding communities to the university, the UFS Sasol library hosted 20 learners from the Christian Liphoko Secondary School (seven learners) and the Goronyane High School (seven learners), both in Thaba Nchu, and six learners from Tsoseletso High School in Bloemfontein. The activity was hosted in collaboration with the UFS Schools Project on 23 May 2019.

In terms of engaged citizenship, the following institutional flagship projects were also implemented by the UFS during 2019:

- Town and Gown
- Social Cohesion
- Enterprise Development and Business Innovation
- Public Memorial Lectures (Moshoeshoe, Charlotte Maxeke)
- Engaged Learning Festival
- Safe Province Safe City Safe Campus Project
- 2019 Second International SAHECEF (South African Higher Education Community Engagement Forum) Conference
- Secretariat for the HERDIC-SA (Higher Education Regional Development Initiative in Central SA)
- Food Security Programme (Qwaqwa Campus)

Table 5 shows the 2019 flagship programmes in the category of academic engaged citizenship per faculty.

Table 5: Flagship community-based education programmes in the UFS faculties

Faculty	Flagship programme(s)
Economic and Management Sciences	TATA partnership and Coke partnershipCommon Good First Digital Storytelling Lab
Education	Family Maths and Family Sciences
Health Sciences	 Xhariep Partnership (Community-based Education and Inter- Professional Learning) Responsible Reproductive Health Education Programme
The Humanities	 Study Buddy Project with local schools and Therapeutic Horse-riding Language facilitation and empowerment
Law	• Law Clinic
Theology and Religion	Shepherd Project and Practical Theology
Natural and Agricultural Sciences	 Boyden Observatory and Science Centre and Naval Hill Planetarium IT Community Training
South Campus	IDEAS Lab and Schools Partnership Project
Qwaqwa Campus	Community Development Studies

3.2.1.3. Increase opportunities for students to engage in community-based education

The Directorate: Community Engagement (CBE) encourages and strengthens student engagement with the promotion of social justice principles. As education for social justice, CBE requires that students become immersed within communities in order to learn through service provision. This is meant to develop their understanding, interest, and commitment to social justice.

In relation to engaged teaching and learning, particularly service-learning, community-based learning and interprofessional learning, a total of 73 academics were engaged in the presentation of 73 credit-bearing servicelearning modules. These modules were presented across all faculties at the UFS. The number of modules per faculty are indicated as follows: Education (five), the Humanities (ten), Natural and Agricultural Sciences (seven), Economic and Management Sciences (six), Theology and Religion (two), Health Sciences (33) and Law (one). For the 73 service-learning modules in 2019, 3 173 students were engaged in structured curricular service-learning activities, inclusive of different year groups from first- to final-years. Each student spent ±40 hours on experiential learning in the 'community classroom'. These activity hours added up to 126 920 hours of curricular student engagement for the year. In addition, 3 793 community members participated in service-learning activities at the interface of collaborative learning within triad university-community partnerships for implementation of servicelearning modules. As a result, academics and students from the UFS, as well as community members across a wide geographical area, benefited from engagement. As a high-impact educational practice, such engagement leads to the development of graduate attributes that enhance the employability of students (UFS student success strategy, 2018; Strydom, Kuh and Loots, 2017). These service-learning activities were driven by relevant developmental needs pointed out by the community. These were aligned with the United Nations Sustainable Development Plan 2030, Agenda 2063, and National Development Plan Goals. In response to development needs, knowledge was applied, exchanged, shared, and in some instances (when strengthened by community-engaged research) even co-created with, specifically for, and by the community.

The Programme in Governance and Political Transformation and the Departments of Social Work and Psychology offered opportunities for students to engage in community-based education through various service-learning modules. In Governance and Political Transformation, students have the opportunity to engage with community ward councillors. The Social Work Project addresses a diverse range of social issues with learners from Rosenhof High School. The Psychology Honours group assists learners at Lettie Fouché School through a horse-riding programme.

Students are also actively involved in organised agriculture and attend farmer days and agriculture schools. Increased efforts are being made through staff/student research projects to promote engagement, as they are becoming more involved in engaged scholarship initiatives in communities around Bloemfontein. Both undergraduate and postgraduate students are involved in support development and social justice through engaged scholarship. The departments link the best of their research and teaching to the specific needs of different parts of the extended community, such as the civil society, local churches, government, and non-governmental organisations.

In relation to student engaged citizenship, the following projects were implemented: Asset-based Community Development Training for Voluntary and Professional Student Organisations (300 students trained); Community Gardens for No Student Hungry; KovsieACT and Gateway; Enactus; Golden Key; Ikusasa for School Libraries; Residence Community Engagement; Early Childhood Development Support; and Schools-Academic Support.

In 2019, 18 Thuthuka Accounting students from the Faculty of Economic and Management Sciences volunteered as team leaders at the SAICA Mathematics camp for high school learners. Besides academic leadership in Mathematics, Science, and Accounting, Accounting students (i.e. team leaders), had to display a broad range of skills, such as time management, team leadership, and mentoring.

A student volunteer group that engages in human-rights education in schools around Bloemfontein, was established under the auspices of the advocacy unit of the Free State Centre for Human Rights. This is in addition to the established human-rights ambassadors programme, which relies on students to do human rights and transformation education among students in residences.

A group of international and local students coordinated by the Office for International Affairs (OIA) visited the Thalitha Kum Children's home as part of the Umoja Buddy Programme and incoming exchange student community engagement initiative. The objective of this initiative was to encourage students to become more socially

responsible citizens. In addition, the UFS SRC, OIA, and Community Engagement divisions visited the Joe Solomon Primary School as part of the Meal in a Jar community engagement initiative. 190 stationery packs were distributed to the learners. Exchange students were also involved, exposing them to the various socio-economic challenges faced by the community in order to enhance their intercultural experience.

During 2019, more than 1 000 Teacher Education (BEd) students were exposed to the Family Math and Family Science programme that included a community-engagement component. The students organised and conducted non-formal Family Math and Family Science sessions in group context with learners from the schools in the local community. The Faculty of Theology and Religion is involved with the 'Towers of Hope' ministry in the inner city of Bloemfontein, where lecturers and students annually participate in various community-based education projects.

The Faculty of Health Sciences Rural Community Initiative (FHSRCI), largely funded by CTG funding, is a decentralised, rural training platform that has a student presence for 36 weeks of the year. In 2019, 258 students representing the three major schools in the faculty spent at least one week on the IPE platform. Transport between Bloemfontein, Trompsburg, and Springfontein as well as to various community sites within these areas is provided. This comprehensive project requires constant management and sustained effort. In addition, a mobile health-clinic service for farming communities around the towns of Trompsburg, Springfontein, and Philippolis was established. Community-based education is a comprehensively integrated component of learning in the Faculty of Health Sciences.

The planning to convert modules such as Entrepreneurship and Small Business Management to CSL modules have commenced in 2019 with the involvement of the Community Engagement office of the UFS.

3.2.1.4. Prioritise engaged scholarship in the funding model

The Service-Learning Grant allocated to all faculties to promote community-based education (CBE) as a scholarly activity is the only strategic fund available. Engaged scholarship discussions related to the UFS funding model are ongoing. Based on a UFS financial sustainability document developed in 2018, consultative discussions with faculties were happening throughout 2019. These discussions focus on required and key performance data pertaining to how engaged scholarship will be measured and how it will contribute to the sustainability of the institution. Regarding funding, research outputs, and engaged scholarship, the Directorate: Research Development (DRD) presented a discussion document on engaged scholarship for input by all relevant stakeholders; the process is ongoing and should be completed in 2020.

In the meantime, the DCE supports academics to access research grants and funding for engaged scholarship and community projects. The DCE uses an asset-based relationship model. The model accentuates working with partners to discover their own resources and build relationships to explore funding from other sources. In this regard, there is ongoing collaboration with funding agencies such as the National Research Foundation (NRF) and others to explore third-stream funding opportunities for engaged research. In some instances, funding from research projects supported by the NRF and other grant incomes, e.g. the European Union, also contributed to strengthen the work of engaged scholarship.



3.3 Report of the Vice-Chancellor on Management and Administration

The Vice-Chancellor's report evaluates the managerial and administrative achievements of the UFS in terms of the strategic goal of increasing the efficiency and effectiveness of the university's governance and support systems. The following is narrative reports on the management of the UFS policy environment, administration of student academic services, the quality of management information, and the participation of students in UFS governance structures. Matters related to staffing is reported in section 3.1.3.3.

3.3.1. Increase the efficiency and effectiveness of governance and support systems

3.3.1.1. Overview of indicators

Currently enrolled students
attended 45,5% of Senate
subcommittee meetings
during 2019; this is an
improvement from 33,3% in
2018

The UFS has prioritised the efficiency and effectiveness of governance and support systems as part of its Strategic Plan 2018-2022. The key areas in this regard include the policy platform, student participation in institutional governance, student administration processes and systems, and data and systems integration in support of evidence-based decision-making. Student representation in governance structures at the UFS is a key indicator of its performance for evaluating the efficiency and effectiveness of governance and support systems. Currently enrolled students attended 45,5% of Senate subcommittee meetings during 2019; this is an improvement from 33,3% in 2018 even though it falls far short of the 75% target for the year. The institutional response to address this underrepresentation is elucidated in section 3.3.1.3 of this report. The rate of policy revision, the effectiveness of enrolment management, the level of automation of student administration processes and rules, and gaps in data integration of current systems are also monitored as secondary performance indicators. The latter two indicators involve technical developments that are still in the process of establishing baselines. In terms of enrolment management, the UFS overenrolled during 2019, but by only 4,9%. The UFS considers this to be within acceptable margins. In terms of policy revision rate, the UFS developed a temporary policy development guide as it completes the consultative processes towards the new policy governance framework. A number of policies were revised in 2019 and this is elaborated upon in the next section. Once approved, the UFS will begin to track the share of UFS policies that are revised on an annual basis in addition to what is already being done.

3.3.1.2. Revise and update all UFS policies to reflect the university's transformative drive

In 2019, a number of policies were introduced or revised in line with their policy review deadlines. The Directorate: Community Engagement revised the community service policy and aligned it with the strategy for engaged scholarship. The Directorate: Research Development (DRD) initiated a process to revise five policies: 1) policies associated with the policy on costing of research and consultancy income; 2) the intellectual property policy of the UFS; 3) the research ethics policies and standard operating

procedures; 4) the postdoctoral research fellow policy; and finally the policy on publication awards, which will be finalised in 2020. The following HR policies were revised and approved by Council: 1) employment relations management policy; 2) employment policy; 3) job grading policy; 4) employee wellness policy; and 5) talent management strategy. In addition, a process was initiated to update the current HIV and AIDS policy of the UFS.

A range of faculty procedures were reviewed during 2019, which include the faculty assessment procedures and guidelines and the faculty learning and teaching guidelines. The faculty assessment procedural guidelines were revised and aligned with the UFS assessment policy and applicable general rules. The remits of several faculty subcommittees were revised. This includes the remit of the finance and research committees. These committees were given a wider mandate and more functions of oversight and support. In addition, a range of guidelines were developed to focus on the UFS administrative processes and postgraduate students. This includes the supervisor, the different milestones in the postgraduate journey, and student-supervisor agreements. The Postgraduate School (PGS) actively contributed to the development or revision of policies/guidelines that address postgraduate education at the UFS. Such documents included the examination process and possible arbitration, postgraduate supervision agreements, the policy on academic writing, and plagiarism and authorship guidelines.

The new committees established in 2019 include the Employment Equity and Transformation Committee. In addition, the old title registration committees for Languages, Culture Studies, Social Sciences, and Arts made way for consolidated Scientific Committees servicing these four interdisciplinary streams. The UFS Internationalisation strategy and implementation plan was finalised, which serves as the UFS guiding document in terms of advancing internationalisation. The Office for International Affairs (OIA) compiled a process manual on international student administration that serves as an information guide for international students. In addition, to advance comprehensive internationalisation, the OIA assisted the appointment of an internationalisation coordinator in every faculty, who will coordinate internationalisation planning, activities, and reporting in their respective faculties.

The student clothing and conduct code was updated in 2019 and disseminated to all students after an extensive process of consultation. In addition, after consultations, the HPCSA's policy on social media was distributed to all students, in line with promoting compliance with the UFS transformational agenda.

In relation to sports, the KovsieSport sports policy was updated during 2019, as well as all the bursary documentation. The addendum to the KovsieSport sports policy regarding sport for students with disabilities was completed in 2019. In this regard, students with disabilities continued to represent the UFS in provincial and national teams. In addition, the Director of the Free State Centre for Human Rights, Prof Danie Brand, led the drafting of guidelines for protest and a plan to manage protest on UFS campuses in a human rights-sensitive manner. Both documents were adopted during the course of 2019. Furthermore, in relation to social support policy, the institution established the social support protocol and developed a student pregnancy policy.

3.3.1.3. Increase student participation in university governance structures

UFS students participate in institutional governance mostly through the student governance system, of which the SRC is the principal structure. The Department of Student Affairs' (DSA) Student Governance Office facilitates the active and effective participation of the SRC through leadership training for all new members, which involves generic leadership training (offered by the Student Leadership Development Office), followed by training on the governing documents and structures of the UFS. The DSA also assists the new SRC to conduct strategic planning, review, and performance assessment. The UFS has been working on expanding student participation in faculties, departments, and classes as articulated in the new SRC Constitution.

In this regard, the coordination of the class representative system was undertaken by the Teaching and Learning Office, the voting processes was structured (March and April), and representative training was done in May 2019. After prolonged consultation, most faculties agreed on student engagement protocols, which will be adopted by departments after the necessary faculty approvals. The intention is to improve the level of engagement between students and staff.

At faculty level, Student Council representatives are elected from module representatives. Students use these platforms at class level and broadly in the faculty to articulate their expectations and to enable faculty management to hold academic staff accountable. Furthermore, to enhance broad student participation, faculties such as the Faculty of Education hosted a student assembly in 2019, where all students were invited to interact and engage

with the dean and faculty management on any matters they wished to raise for attention by management. In faculties such as Education and the Humanities, meetings between heads of departments and class representatives are now mandatory at least once per semester, and meetings are scheduled between the faculty council and the vice-dean and dean. Furthermore, students are represented on institutional committees such as the Community Engagement Management Committee, which is a structure for accountability and transparency regarding community engagement work. Students participate in the Intellectual Property and Investment Committee, which commenced in 2018 and continued in 2019. This improvement in student representation is replicated across campuses as per the new SRC Constitution.

The Postgraduate School supports the activities of the Postgraduate Student Council (PGSC), which is a student body that advocates on behalf of postgraduate students at the UFS. Established in 2011, the PGSC forms part of the university's governing structures and ensures the representation of postgraduate students at all levels in the institution. The PGSC organises various projects on academic topics, social networking events, and community-based projects. The bulk of the Postgraduate Student Council's activities are funded through the PGS' operational entity. In addition, the constitution and establishment of the postdoctoral fellows' association was finalised in 2019.

The institution recognises students who successfully serve other students through the Student Leadership awards. For example, the year-end Prestige Awards on the South Campus recognises leadership excellence among student communities. These awards/bursaries are aimed at fostering a culture of student success. To further promote student participation, the SRC Visibility Plan was developed and implemented to increase student participation in student governance programmes. The new SRC offices on the South Campus were completed and occupied by student leaders in 2019. The offices are more convenient for student meetings, with enough space for engagements and consultation with the SRC and Student Affairs staff.

3.3.1.4. Optimise the student life cycle from recruitment to graduation

The life cycle of a university student encompasses recruitment, application, admission, registration, timetabling, examination, certification, and graduation. The UFS aspires to have a sense of excellence permeating each of these processes, and to use them to instil an understanding in students of the institution's wider purpose: to improve lives in the communities where they will ultimately apply their acquired knowledge and skills.

Each of these life activities were supported by the portfolio of the Registrar in 2019. The Student Academic Services (SAS) division comprises applications, admissions, curriculum management administration, student records, examination administration, graduations, certification, student services centre and registration. SAS manages student administration support under the Registrar's portfolio.

During student recruitment in 2019, SAS focused on communication to students and improvements to the automated decision-making process in order to improve the time it takes to make a decision and communicate it once the application is received. In the student admissions and student records, pilot projects focused on supporting staff in faculties. This was to improve service to both the faculties and students. Reducing the communication gaps and the time between decision-making and execution were key reasons for the move towards a strategy of localisation (decisions at faculty level). In relation to timetabling, the SAS team continued with the implementation of 'Plan B' for Syllabus+ in 2019. Syllabus+ was implemented for the first time in late 2018. While 'Plan A' or full implementation will require a full project plan and dedicated project resources, 'Plan B' ensures that faculties can collaborate for now by using the software as a visual tool for timetabling and to quality assure the data being imported into PeopleSoft. The Student Services Centre (SSC) continued to grow regarding the volume of calls, emails, and walkins. The SSC is now playing an increasingly critical role in providing services to students. To ensure SAS systems stability, a task team was created, which engages in sorting out processes to give a better experience for online registrations and applications. PeopleSoft 9.2 will be rolled out during 2020 to enable more PeopleSoft functionality. During online registrations in 2019, no downtime was experienced on PeopleSoft (Institutional ERP). A fail-over system was implemented in 2019 to ensure similarity on all campuses. Additionally, expanded load balancing was implemented at the beginning of 2019 to enable better load balancing, and new servers were deployed for Campus Solutions. During 2019, the physical server infrastructure as well as the fibre channel and ethernet networking infrastructure hosting the PeopleSoft environment were replaced. This was required as the hosts reached the end of their warranty. Furthermore, the database infrastructure was upgraded. The existing Oracle database appliance was replaced with an ODA X7-2. This ensures that the databases hosting PeopleSoft are replicated to the ICT DR site in real time using Oracle active data guard.

The optimisation process of the student life cycle is partly meant to maintain an efficient communication channel with UFS postgraduate students through regular newsletters, social-media posts on Facebook, and workshop videos available on YouTube. The 3-Minute Thesis Competition enables a platform for students to showcase their research in three minutes on local and national level. Furthermore, there are postgraduate welcoming functions such as the postgraduate open days and coffee mornings, which enable students from various departments to mingle and share their postgraduate journey. The Research Capacity Development workshops further enable students with tools to successfully navigate their postgraduate journey and contribute to the life cycle from recruitment to successful graduation. The new student appeals process and progression has been fully implemented to monitor students' progress and implement remedial actions where necessary. In addition, the remit of the new Examination Committee was drafted, awaiting consultation and approval in 2020.

Disability support programmes are offered through the Center for Universal Access and Disability Support (CUADS). In 2019, the centre continued to advocate for the universal accessibility of services on the three UFS campuses. 250 students with disabilities (SwD) were supported through the centre's disability support programme. The programme takes a specialist and holistic coordinated approach to create more enabling environments in order to empower SwD to participate equally; 49 SwD graduated in 2019. Magnifiers and portable loop systems were purchased to provide access to students with visual and hearing impairments. The Accessible Study Material Production Programme provided academic support to 19 students with visual impairments, who made use of Braille, E-text, and enlargements. The Communication Access Programme facilitated and coordinated academic support together with Interpreter Services to seven deaf students and ten hard of hearing students. The centre also facilitates and coordinates the Alternative Assessment Programme together with the Exam Division and the accessible test and examination facility. The facility is housed in CUADS, where an average of 180 students were accommodated in 2019, of which 140 students received extra time concessions and 28 amanuensis; while all supported students made use of specialised equipment during tests and exams, 19 students made use of accessible formatted papers.

3.3.1.5. Improve the integration of data and electronic systems to support decision-making

The opening statement of the UFS vision for 2022 is to become a research-led university. This means that the way in which the university approaches the academic enterprise – from teaching and learning to strategic management – should be informed by research. In this sense, evidence-based decision-making is an integral part of a research-led institution. The overall goal of the Directorate for Institutional Research and Academic Planning (DIRAP) is to support evidence-based decision-making at all levels of the UFS. To this end, DIRAP's Institutional Information Systems (IIS) unit aims to make data available that may be used by decision makers to effect and monitor change, to assess progress, and to plan for the future.

In 2019, CUADS continued to advocate for the universal accessibility of services on the three UFS campuses.

The UFS recognises the importance of tracking, monitoring, and supporting postgraduate students throughout their period of study at the institution. In this regard, a pilot project was initiated in 2015 to design and implement the Graduate Research Management (GRM) system within PeopleSoft Campus Solutions to track, monitor, and evaluate postgraduate students from registration to graduation. The conclusion of the pilot project recommended that the GRM system be adopted and utilised across all postgraduate programmes within the UFS. The main objective of GRM is to promote an efficient system that enables the process of tracking, monitoring, and evaluating postgraduate students. Secondary objectives include early identification of students who are at risk of exceeding their residential period, efficient monitoring of supervision workload in departments, less manual work as the system is automated, and enhancing data consistency and integrity.

The UFS recognises the importance of tracking, monitoring, and supporting postgraduate students throughout their period of study at the institution.

In 2019, 483 staff members were trained on the GRM system and GRM training manuals were written.

The business process is currently 90% automated, which aligns with the desired future state of fully automated systems with integrated accountability measures. Additionally, the progress report process highlights students that are at risk (e.g. taking too long to complete some milestones). In 2020, the progress report business process will be migrated to the Graduate Research Management system, which will hopefully increase the completion rate and enable better tracking of the master's and doctoral students. This will also enable the UFS to identity students that are 'at risk' much earlier and identity the subsequent bottlenecks.

There is an increase in the use of reports and data to make proactive management decisions, for example, the daily enrolment figures are used to proactively manage the timetable and the booking of venues by the Teaching and Learning Office. Academic advisers use a case management system designed by CTL to track advice given to students. Scientific and GHREC committees make extensive use of the RIMS system. The HEDA dashboard is used to track overall student success by departments and improvement plans are put in place together with the respective Teaching and Learning manager and the dean.

During the course of 2019, the operational data store (ODS) was expanded dramatically. Twenty-three systems' data has been incorporated into the ODS and normalised towards employee information and student information. Much focus was placed on establishing an ODS inclusive of metadata dictionary entries. Thirteen system integrations have been implemented on the enterprise services bus (ESB) to assist ICT to establish a fully integrated environment. Further expansion of the ODS will continue in 2020, as well as the continuation of the implementation of system integrations.

The Institutional Advancement (IA) Division indicated that the optimisation of their systems requires the co-operation of various internal partners, including ICTS, Finance, Human Resources, and Student Administration. Working together brought significant improvements to systems integration, donations receipting, financial reporting, and data updates. The alumni database records more than 142 000 alumni. About 96 000 are contactable by SMS and 47 000 by email. Regular calls were made to alumni in 2019 to update their contact details, in adherence to the Protection of Private Information Act.



The benchmarking data provided by DRD also puts the department's productivity in perspective with similar departments at other national and international universities. Benchmarking information also enables faculty to identify the potential collaborators who are leaders in their respective disciplines. The training and further implementation of the SPIN module on the RIMS system was increased during 2019. The Research and Information Management System (RIMS), more specifically the financial staging area, will be developed to interface with the Oracle PeopleSoft system of the UFS. Furthermore, the DRD will transfer historical contracts from the technology transfer module to the grants and contracts module to benefit from the additional functionality, which includes contract management and governance of ongoing projects.

The Office for International Affairs (OIA) integrated its Department of Home Affairs (DHA) reporting system with PeopleSoft system in 2019, which will now be used for effective and efficient reporting to Home Affairs. The comprehensive report will be automated in such a way to retrieve information more easily, especially for audit purposes. DHA reporting will be integrated with HEMIS reporting, thus assuring full data integrity.

The Siyaphumelela team aims to contribute to data quality and the integration of data at the UFS (particularly student life). This forms part of the UFS Siyaphumelela Project, as facilitated by the Centre for Teaching and Learning (CTL). In this regard, the Division of Student Affairs (DSA) brings data from the co-curricular context into the fold of the institutional student tracking and case management systems. A data analytics section was created within the Teaching and Learning section of the EMS Dean's Office. The information generated is used to inform management decision-making.

The UFS successfully piloted the electronic registration system for SRC elections on the Qwaqwa Campus in 2019. This allowed for more efficient and data-backed reporting on student voting patterns. In addition, the Student Counselling and Development (SCD) division on the Qwaqwa and Boemfontein Campuses aligned certain therapy and counselling data systems to support statistical comparisons and data dissemination. Having highlighted these successes, the use of collated data on school level for more collective strategic decision–making can be improved and will be explored in collaboration with DIRAP.



3.4. Statement by Council on sustainability

3.4.1 Achieve financial sustainability

Section 3.4 reviews the operational sustainability of the UFS during 2019. The following narrative reports on the University's impact on the economic life of the community in which it operated during the year under review, and on its progress towards achieving the strategic goal of financial sustainability. The section concludes with the financial executive's statement on the 2019 financial results.

3.4.1.1 Overview of indicators

Financial sustainability inherently assumes that the university will be able to provide the financial backbone to deliver on its mandate of teaching and learning, research, and engaged scholarship. The university utilise a sustainability model in which parameters were set to analyse and review revenue and expenditure with the aim to maintain sufficient funding levels for the three core educational pillars.

3.4.1.2 Council-controlled Recurring Income (CCRI)

CCRI includes government subsidies, fees, sales of goods and services, private gifts, and other income and are the biggest contributors to the total income. The figure depicted below presents the total income per revenue category.

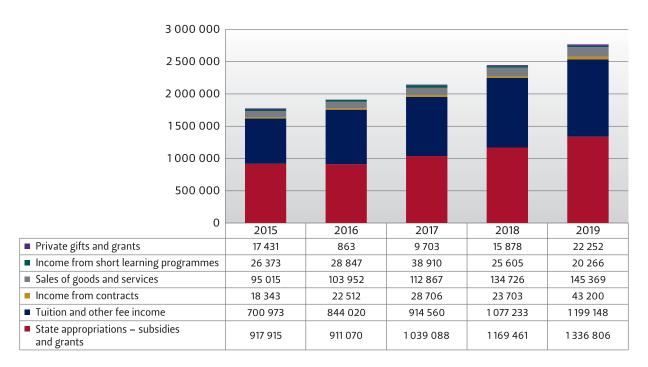


Figure 7: Council-controlled Recurring Income

3.4.1.3 The state appropriations

State appropriations increased from R917 million in 2015 to R1,34 billion in 2019 as per the university's share of national funding allocation by the DHET. The ratio of state appropriations to total income remained at 48% since 2016. The year-on-year percentage change remained fairly stable at an average rate of 14% from 2017 onwards. An exception has been recorded during the 2015/2016 financial year, with a negative percentage growth recorded due to the Department of Higher Education, Science and Technology' adjustment to the University Teaching Input Unit allocation.

Table 6: Year-on-year change in major income revenue streams

Year-on-year change %	2015–2016	2016-2017	2017–2018	2018-2019
State appropriations – subsidies and grants	-1%	14%	13%	14%
Tuition and other fee income	20%	8%	18%	11%
Other income	-1%	22%	5%	16%

3.4.1.4 Tuition and other fee income

Total tuition and other fee income, although separately identifiable income streams, also became very dependent on students funded through NSFAS as per figure 2. This category of income increased from R226 million in 2017 to R515 million in 2019. This increase represents a growth of 72% in three years from 25% of NSFAS-funded proportion of tuition and other fee income in 2017, to 43% of NSFAS-funded proportion of tuition and other fee income in 2019. This presents a challenge to the objective of improving the proportion of self-paying students.

Students who qualified for the fee-gap grant when it was introduced and who are still in the system in 2019, were allocated an amount equal to the annual national agreed-upon increment.

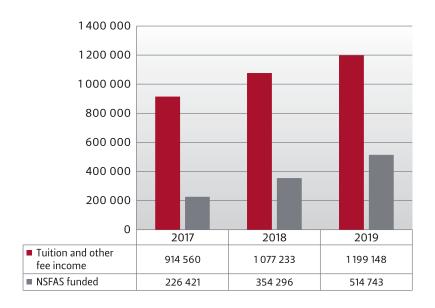


Figure 8: Tuition and other fee income from NSFAS-funded students

3.4.1.5 Council-controlled expenditure

Council-controlled expenditure consists mainly of personnel costs, operational expenditure, and depreciation and amortisation as per figure 3. Personnel costs varied between 61% and 63% since 2015. This is within the national benchmark, indicating that the university has been successful to maintain personnel costs within sustainable levels.

Operational expenditure gradually increased from 32% in 2015 to 36% in 2019. This is mainly attributable to the following:

- The introduction of an allowance to be charged by the suppliers of contracted services and to be included in the remuneration of their workers to earn a cost to company of at least R5 000 per month in 2016 and increased to R7 550 cost to company per month in 2019. These additional costs are managed within the operational units of University Estates and Campus Safety and Security.
- Licence fees managed within the Directorate of Information, Communication and Technology increased from R39 million in 2015 to R81 million, and from 7% of total operational expenditure in 2015 to 9% in 2019.

Notable efficiencies emanated from institutional initiatives on renewable energy through solar power and an electricity utilisation control system. This resulted in a total increase of only R8 million in the cost of electricity, from R60 million in 2015 to R68 million in 2019.

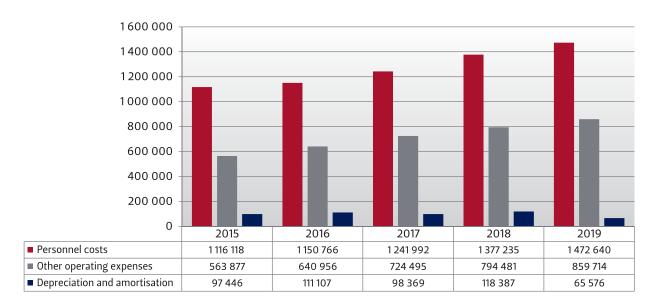


Figure 9: Council-controlled expenditure

Specifically funded activities which are by nature restricted in use, include all activities associated with grants other than the institutional subsidy, research contracts, and other contracts.

3.4.1.6 Income from contracts for research and other activities

The UFS is a research-led, student-centred, and regionally engaged university. In order to enhance financial sustainability, one of its KPIs is to increase non-government derived sources of income. Income from contracts for either research, teaching and learning or other activities such as engaged scholarship, is seen as such sources.

Restricted in use, income and its associated expenditure may only be incurred in line with the accompanying terms and conditions as defined by the funder. Therefore, consideration was given to contract income to include both council-controlled and restricted income. Income from contracts increased from the previous year by 24% to R140,4 million in 2019 and 11% to R113,5 million in 2018. These increases mainly comprise contracts from other activities, 29% (2018–2019) and 35% (2017–2018), and a decreased in income from contracts for research by 16% (2018–2019) and 3% (2017–2018).

The increase in contracts for other activities in 2018 is mainly due to a change in classification, whereby the SETA contracts are consistently disclosed under contracts for other activities from 2018, in accordance with IFRS 15: Revenue Recognition. In 2017, a portion of the SETA contracts were still disclosed under private gifts and grants, which also partly explains the decrease in this income in 2017. The growth in 2019 is mainly due to funding received from the Department of Health of R15,8 million to fund the clinical studies of Cuban students, and R11,5 million secured by the National Control Laboratory to test vaccinations.

3.4.1.7 Earmarked grants

Earmarked grants are grants received from the Department of Higher Education and Training for a specific strategic intent. Included in earmarked grants are the following:

Clinical training grant, infrastructure and efficiency grant, university capacity-development grant, foundation provision grant, and the 'New generation of academics' grant.

Figure 10 below demonstrates the allocation of the earmarked funds received from the DHET in relation to the block grant allocation.

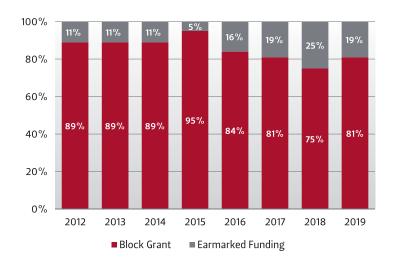


Figure 10: UFS block grant versus earmarked funding

3.4.1.8 Cash flows

The university generated sufficient levels of cash through its operational activities in order to maintain investing activities and service debt. The university received a payment of R350 million from NSFAS late in December 2019 – unfortunately not in time to invest these funds in accordance with the approved investment principles, which resulted in unusually high cash levels at year-end.

A measurement of free cash flows of all revenue streams are the cash the university produces through its operations, less the cost of expenditures on assets. The university receives its first subsidy payment in April of each year, and the UFS therefore has to utilise free cash to cover the first quarter of the academic year together with the first payments made by students to enrol within an academic year. The free cash flows declined steadily from 3 months in 2015 to 2.4 months in 2019. If no other payments in terms of student fees are received or subsidies being paid late, it will result in the UFS having to use reserves to bridge possible cash shortfalls. The UFS was not able to consistently contain its expenditure levels nor to grow its income to maintain the cash flows from operational activities.

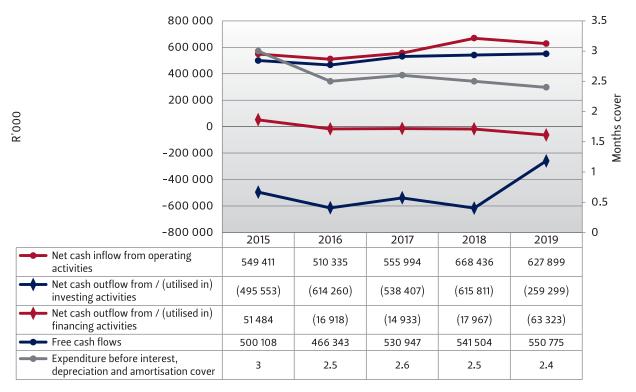


Figure 11: Sum of cash flows and free cash flows

3.4.1.9 Events after 31 December 2019

IAS 10: Events after the reporting period require a review of the impact of the COVID-19 pandemic, both in terms of the known events at 31 December 2019 and events after this date.

A pneumonia of unknown cause detected in Wuhan, China, was first reported to the World Health Organisation Country Office in China on 31 December 2019. No explicit evidence existed of human-to-human transmission at that date. The subsequent spread of the virus and its identification became known after year-end and is considered as per IAS10 as a non-adjusting event and no adjustments were made to assets and liabilities.

Disclosure is, however, required in the event that the impact on assets and liabilities may be material, although as a result of a non-adjusting event. Fair disclosure would also require an ability of reliable measurement as an estimation. Markets and the economy in general are extremely vulnerable to the extent that an estimation of the possible impairment of assets cannot be made. This is ascribed to the lack of reliable data concerning the estimated impact of the COVID-19 pandemic in terms of its duration, the scope and size of spreading, the ability to curb the spreading, the impact on the global and national economy and its ability to recover, as well as the additional funding needs raised with government on macro, meso, and micro levels.

The going concern status of the university's should not be compromised in the twelve months following the year-end, due to its main revenue streams comprising state appropriations and NSFAS funding for those students with a household income of not more than R350 000, as well as a review and recognition of the credit losses from student debtors not revealing further impairment.

Risk exposures are disclosed in notes 18.6.2, 18.6.3 and 18.6.4

3.4.2 Statement from the financial executive on the financial results

The Public Audit Act of 2004 as amended (Act), prescribes the Auditor-General to be the external auditor of the University. The audit is currently performed by PricewaterhouseCoopers, who are also responsible for the external audit under the auspices of the Auditor-General in accordance with the requirements of the Act. Section 28(1) of the Act requires the external auditor to reflect such opinions and statements as may be required by any legislation applicable to the University, but this must reflect at least an opinion or conclusion on (i) whether the financial statements of the University fairly present, in all material respects, its operations and cash flow for the period which ended on 31 December of each year, in accordance with the applicable financial framework and legislation; (ii) the University's compliance with any applicable legislation relating to financial matters, financial management and other related matters; and (iii) the reported information relating to the performance of the University against predetermined objectives. The governance and management of the UFS provides assurance for financial sustainability, and the UFS has received unqualified audit reports in all of the periods included in this report.

Mr Derek Foster

Chairperson: Audit, Risk and IT Governance Committee

3.5. Statement of Council on transformation

The UFS committed itself to widen the scope and radically accelerate transformation at the university through the development and implementation of its Integrated Transformation Plan (ITP). The ITP operationalises the process of transformation in all areas of the institution, including curriculum and pedagogy, research and knowledge production, engagement, institutional culture, and administrative systems and structures. Section 3.5 reports on progress with regard to the ITP during 2019 in general, and on aspects of the ITP that relates to the strategic goal of advancing an institutional culture that demonstrates the values of the UFS in particular.

3.5.1. Advance an institutional culture that demonstrates the values of the UFS

3.5.1.1. Overview of indicators

Institutional culture is a complex entity clearly discernible, yet complicated to define and change. It incorporates the university's values, the names and symbols, its use of space, its research focus, and the interactions between staff new and old, and between staff and students. The UFS is committed to shape its institutional culture to reflect diversity, inclusivity, and social justice. The UFS Institutional Multi-stakeholder Group (IMG) has been operational since 2018 and fulfils a strategic institutional goal of promoting processes and practices that improve the current institutional culture, which is considered unjust. In 2019, this was done through solutions-driven engagements with various structures within the university and contributing to institutional initiatives.

3.5.1.2. Integrated Transformation Plan

The UFS Council approved the Integrated Transformation Plan (ITP) of the UFS in 2017 and implementation began in 2018. While the focus was on developing necessary strategies in 2018, the focus in 2019 was on implementing those strategies. The ITP expresses the UFS's commitment towards widening the scope and radically accelerating transformation at the university. Therefore, the process of transformation is operationalised in all areas of the institution, including curriculum and pedagogy, research and knowledge production, engagement, institutional culture, and administrative systems and structures. Thirteen cross-functional work streams were tasked with the implementation of the plan, as shown in Table 7. The convenors of each of the work steams constitute the Implementation Committee, which is the responsible governance structure. Meetings of the committee are held on a quarterly basis and are chaired by the Rector and Vice- Chancellor.

Notable efficiencies
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control system. This resulted
in a total increase of only
R8 million in the cost of
electricity, from R60 million
in 2015 to R68 million in

Table 7: Integrated Transformation Plan work streams

Transformation area		Work stream number and title
	1	Teaching and Learning
Core Functions	2	Research, Internationalisation, and Innovation
	3	Engaged Scholarship
	4A	Student Experience
	4B	Student Accommodation and Residence Culture
University Culture	5	Staff Experience and Composition
	6	Names, Symbols, and Spaces
	7	Universal Access
	8	Financial Framework (Size and Shape)
	9A	Governance and Policy
Structural Issues	9B	Systems and Administration
	10 A	Multi-campus Model: Qwaqwa Campus
	10B	Multi-campus Model: South Campus

3.5.1.3. Institutional Multi-stakeholder Group

Transformation involves changing institutional culture at a fundamental level. An Institutional Multi-stakeholder Group (IMG) has been established to identify interventions in relation to the UFS's institutional culture. The IMG is an oversight committee, a governance committee, with representatives of Council, rectorate, deans, management, senior directors, directors, Central SRC, and unions. It is chaired by the Rector and Vice-Chancellor and meets on a quarterly basis. The frequency and content of IMG meetings is monitored as a measure of progress with regard to advancing an institutional culture that demonstrates the values of the UFS. The group met quarterly as planned during 2019. Members discussed challenges to employment equity among academics and middle management, relocation of the MT Steyn statue, campus research on ethnic tensions, and the ongoing research about violent campus student protests. Data to guide these discussions were availed through presentations by the respective departments, including the Department of Housing and Residence Affairs, and the Department of Human Resources.

3.5.1.4. The MT Steyn statue

The UFS submitted an application to the Free State Heritage Resources Authority (FSHRA) for a permit to relocate the statue of MT Steyn to the War Museum after a comprehensive consultation process was concluded at the end of 2018. The FSHRA initially granted the university a permit but the process has since been stalled by an appeal lodged by a lobby group, which was upheld by the FSHRA. Currently, the university is appealing to the Free State Provincial Member of the Executive Council (MEC) (Sports, Arts, Culture and Recreation) to grant the permit to relocate the statue. The MEC has appointed a special tribunal to advise her on this matter and the UFS is still awaiting the outcome of the process.

3.5.1.5. Project Care

The Council of the UFS and rectorate have identified the establishment of an ethos of care as an important undertaking for the university and its community. A team to conceptualise Project Care was established, chaired by the Vice-Rector: Institutional Change, Student Affairs and Community Engagement, Prof Puleng LenkaBula. Under her leadership and with a key role played by the Unit for Institutional Change and Social Justice, consultation processes are being conducted with institutional stakeholders.

Since the first meeting with the Rector in February 2019, the Project Care team has been expanded to 16 members. A concept note and a draftzero code of ethics have been drawn up. Several presentations have been made to, among others, Senate, the Senior Leadership Group, the IMG, and Council. The concept note was circulated to a number of diverse critical readers for feedback, which culminated in a colloquium on 17 September: 'Project Care and Values in the Higher Education System in South Africa and Beyond'. Prof Tshepo Madlingozi (WITS) and Dr Isabel Maria Casimiro, President of CODESRIA, spoke to the concept paper, followed by a panel discussion led by students. After the colloquium, members of the team met with the two speakers for another in-depth discussion. Critical comments generated during these engagements were discussed and incorporated into the document. Feedback from these consultative processes is being incorporated as the re-drafting processes continue in preparation for further consultation to achieve a codification of care that enables the university to achieve its strategic goals in ways that are ethically desirable for stakeholders.

3.5.1.6. The Sexual Assault Response Team

The Sexual Assault Response Team (SART) was set up in April 2019 to facilitate the implementation of the Sexual Harassment, Sexual Misconduct and Sexual Violence policy. SART structures and processes aim to provide support for all survivors of sexual and gender-based violence. SART is coordinated by the Unit for Institutional Change and Social Justice and involves the following role players: Campus Protection Services, Student Counselling and Development, Housing and Residence Affairs, the Dean of Student Affairs, the Directorate for Student Discipline and Mediation, and the Human Resources Division (for cases where the complaint involves a staff member).

To promote access to institutional justice processes, students can now report incidents of harassment and sexual violence online through a link on the KovsieLife page, and staff are able to access SART via the staff intranet. Incidents may also be reported telephonically Monday to Friday from 07:30 to 16:30 on 051 401 7777, and after hours on the 0800 204 682 toll-free line. As part of processes to ensure that survivors of sexual and gender violence are treated in a way that accords with the promotion of social justice, members of Protection Services also received training on assisting victims of sexual violence incidents during July and August 2019.

3.5.1.7. Guidelines to operationalise the right to protest

The Free State Centre for Human Rights was tasked by the Rectorate and Senate to oversee the drafting of guidelines regarding the right to protest. To this end, the university embarked upon a multi-pronged process to fashion a unified approach to political activity and protest action on campus. In the immediate instance, this was in response to recommendations of the Independent Panel on the Conduct of Private Security Companies and Police on the Bloemfontein and Qwaqwa Campuses during October 2017. However, more broadly, the guidelines reflect the university's commitment to protecting and even nurturing robust political contestation on UFS campuses, including through political protest. In the spirit of democracy, the university intends to promote the right to protest in a manner that ensures that political contestations and engagements do not cause or spill

The Sexual Assault Response
Team (SART) was set up
in April 2019 to facilitate
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Sexual Harassment, Sexual
Misconduct and Sexual
Violence policy.

over into violence, coercion, intimidation, or vandalism. A document, 'Guidelines for operationalising the right to peaceful protest' was adopted by Senate after a comprehensive consultation process.

The Free State Centre for Human Rights and the Unit for Institutional Change and Social Justice were tasked with drafting a plan for managing political activity and protest on campus. This plan was completed in concept form in January 2019 and then developed into a protocol. The main purpose of the plan and of the protocol is to create structures and processes to enable peaceful management of political activity on UFS campuses. Under the plan and its protocol, the university uses various forms of participatory engagement before other forms of response are considered to protect the rights of the university and of all stakeholders. A feature of the plan is the creation of a Coordinating Committee to act as an independent source of advice and a sounding board for the rectorate during political conflict and protest action.

3.5.1.8. Unit for Institutional Change and Social Justice

The Unit for Institutional Change and Social Justice was established to enable the university on a continuous basis to target and address the inclusion needs of marginalised groups and minorities under the categories of race, class, gender, disability, and mental health. The unit seeks to enable the university to create an environment in which staff and students feel that they have a stake, are respected as individuals, and recognised for the value that they add. More generally, it aims to strengthen the university's intent to secure and promote institutional changes that foster social justice and human rights through scholarship, advocacy, and progressive interventions.

The unit was established through the merger of the Institute for Reconciliation and Social Justice with the Gender and Sexual Equity office, which was previously located in Student Affairs. The establishment of the unit was approved by Council on 15 March 2019 in a process that outlined the mandate of the unit, as well as its strategic plan and objectives. Since then, the Gender and Sexual Equity Office has been absorbed as the Office for Gender Equality and Anti-Discrimination in June 2019. The unit currently operates with two offices, namely the office for Institutional Change and the office for Gender Equality and Anti-Discrimination.

In light of the launch of Sexual Assault Response Team (SART) structures and processes on all campuses, the resourcing of the Gender Equality and Anti-Discrimination Office has been prioritised. Gender Equality and Anti-Discrimination offices have been established on the Bloemfontein Campus (opposite DF Malherbe House), South Campus (in the Admin building) and on the Qwaqwa Campus (Intsika Building).

Through its Arts and Social Justice programme, the unit has continued its work in terms of understanding the dynamics of culture and space within the UFS space. A theatre production was developed and staged in September, focused on raising issues around cultural traditions and the need to critically evaluate and assess how they were being used by the different generations and towards what means. Through documented dialogues with the cast and crew, this work also brought to the fore the understanding that students arrive at the UFS with different cultural registers, but with common values, which could assist in projects such as Project Care, but that these values often get lost in the attempt to fit in.

Identifying and promoting these common values formed the bedrock of the UFS's initiatives and operations in 2019, while striving for excellence and constantly redefining its purpose – a quest that will certainly be carried forward to 2020 and beyond.

Dr Willem Louw

Chairperson: UFS Council

Prof Francis Petersen

Rector and Vice-Chancellor: UFS

Appendix 1: Code of Ethical Conduct of the UFS Council



Council of the University of the Free State

Code of Ethical Conduct

The University of the Free State (UFS, also referred to as the University) adopts this Code of Ethical

Conduct in order to:

- confirm core values to which it will adhere in the governance of the University,
- promote honest and ethical conduct by members of Council by establishing standards to which they should conform, and
- guide Council members in carrying out their duties to the UFS.

The core values of the University are:

- Superior Scholarship
- Human Embrace
- Institutional distinctiveness
- Emergent Leadership
- Public Service (linked with the Academic Project and the Human Project)

No code or policy can anticipate every situation that may arise. Accordingly, this Code is intended to serve as a source of guiding principles. Council members are encouraged to bring questions about particular circumstances that may implicate one or more of the provisions of this Code to the attention of the Chairperson of Council or the Chairperson of the UFS Audit and Risk Management Committee, who may provide guidance on the provision in question.

This Code applies to all members of Council of the UFS, regardless of the sector, constituency, office or entity to which they owe membership. Members of Council who are employees of the UFS are also subject to the conduct requirements and conditions of service of their appointments, which are separate requirements and are not part of this Code. Student members of Council are also bound by the rules and codes governing students. All Council members shall adhere to the requirements set forth below in carrying out their duties to the UFS.

Standard of Conduct

In discharging her or his duty to direct the governance of the UFS, a Council member shall at all times act in a manner he or she believes in good faith to be in the best interests of the University, and shall exercise the care which an ordinarily prudent person in such a position would exercise under similar circumstances. The Council

represents the interests of the UFS and has responsibility for overseeing governance and management and should also manage adherence to the principles of good governance by the members of Council. The Council members' responsibilities in performing this oversight function include a **duty of care and a duty of loyalty**.

A Council member's *duty of care* refers to the responsibility to act reasonably and exercise appropriate diligence in overseeing the governance and management of the University, making decisions and taking other actions. In meeting the *duty of care*, members of Council are expected to:

- 1. Attend and participate personally in Council and related committee meetings. This entails ensuring that a member is not absent without leave from two consecutive ordinary meetings of the Council (See Section 15(7) (a) of the institutional statute.)
- 2. Remain properly informed about the business and affairs of the University. Council members will therefore devote appropriate time to review periodic updates provided by University management, as well as studying Council materials prior to each meeting.
- 3. Rely on others. In doing this, Council may have to rely on Council committees, UFS management and employees, and professional advisers.
- 4. Make inquiries during meetings. Members of Council will make inquiries about potential problems that come to their attention and follow up in subsequent meetings or in appropriate Council sub-committees until they are reasonably satisfied that management is addressing them appropriately. (This process must be seen in conjunction with the section on Compliance Procedures below.)

A Council member's *duty of loyalty* refers to the responsibility to act in good faith and in the University's best interests, not the interests of himself or herself, a family member or an organization with which the Council member is affiliated, or any other sectional interest of the member. Council members shall not use their positions for personal gain. The *duty of loyalty* may be relevant in cases of conflict of interest.

Conflicts of Interest

Members of Council have a duty to be free from the influence of any conflicting interest when they participate in Council meetings or related Committee deliberations or voting, and to comply with the UFS *Council Conflict of Interest Policy* and the related annual declaration of any conflict of interest.

Confidentiality

Members of Council will maintain the confidentiality of all proprietary, strategic and sensitive or valuable information of the University entrusted to them, except when disclosure is authorized or legally mandated.

Fair Dealing

In carrying out their responsibilities to the UFS (including establishing the University's policies and procedures), members of Council shall seek to deal fairly with the University's employees, service providers, suppliers, competitors, partners and students, and shall avoid taking unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other unfair dealing practice. Council members will refrain from making or supporting any statement, promotion, or advertisement that is deceptive or fraudulent, and from the use of implication or half-truths that could falsely represent a UFS programme or service.

Protection and Proper Use of University Assets

In carrying out their responsibilities to the UFS (including establishing the University's policies and procedures), Council members will protect the assets of the University, ensure their efficient use and ensure that they are used for legitimate business purposes.

Compliance with Laws and Regulations

In carrying out their responsibilities to the UFS, Council members will adhere, and cause the University to adhere, to all applicable international, national and local legislation and prerequisites. In particular, Council members will seek to comply with the requirements of both the Higher Education Act (No. 101) of 1997, as amended, and the Institutional Statute: University of the Free State (Government Gazette No. 33490, of 27 August 2010, as amended).

Encouraging the Reporting of Possible Illegal or Unethical Behaviour

The Council will take steps to ensure that the University (a) promotes ethical behaviour; (b) encourages employees to talk to supervisors, managers and other appropriate personnel when in doubt about the best course of action in a particular situation; (c) encourages employees to report violations of laws, regulations or the University's own regulatory framework appropriate to its personnel and students; and (d) informs employees and students that the University will not allow retaliation or victimization for reports made in good faith.

Compliance Procedures

Any waiver of any provision of this Code may only be made by the Executive Committee of Council (ECC) after due deliberation and a determination that appropriate controls to protect the UFS are in place. Any subsequent resulting amendment to this Code will be put before Council by the ECC for consideration.

Members of Council will communicate any suspected violations of this Code promptly to the Chairperson of Council or the Chairperson of the Audit and Risk Management Committee as appropriate. Violations will be investigated by the ECC or by a person or persons designated by the Council, and appropriate action will be taken in the event of any violations of the Code.

Approved by the Council on 7 June 2013.





FINANCIAL STATEMENTS

UNIVERSITY OF THE FREE STATE
CONSOLIDATED AND STAND ALONE
FINANCIAL STATEMENTS

31 December 2019



CONSOLIDATED AND STAND ALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

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UNIVERSITY OF THE FREE STATE GENERAL INFORMATION

CHAIRMAN OF THE COUNCIL	Dr. W. Louw
RECTOR AND VICE-CHANCELLOR	Prof. F.W. Petersen
POSTAL ADDRESS	PO Box 339 Bloemfontein 9300
STREET ADDRESS	Nelson Mandela Drive Bloemfontein 9301
AUDITORS	PricewaterhouseCoopers Inc. Bloemfontein
BANKERS	ABSA Bank



COUNCIL'S STATEMENT OF RESPONSIBILITY FOR THE CONSOLIDATED AND STAND ALONE FINANCIAL STATEMENTS

The council is responsible for the preparation, integrity and fair presentation of the consolidated and stand alone financial statements of the University of the Free State. The consolidated and stand alone financial statements, presented on pages 131 to 214, have been prepared in accordance with International Financial Reporting Standards and the requirements of the Minister of Education as prescribed by the Higher Education Act, 1997 (Act No. 101 of 1997), as amended, and include amounts based on judgements and estimates made by management. The council also prepared the other information included in the annual report and is responsible for both its accuracy and consistency with the consolidated and stand alone financial statements.

The going concern basis has been adopted in preparing the consolidated and stand alone financial statements. The council has no reason to believe that the University of the Free State will not be a going concern in the foreseeable future based on forecasts and available cash resources. The viability of the University of the Free State is supported by the financial statements.

The consolidated and stand alone financial statements have been audited by the independent accounting firm, PricewaterhouseCoopers Inc., who were given unrestricted access to all financial records and related data, including minutes of meetings of the council and all its committees. The council believes that all representations made to the independent auditors during their audit were valid and appropriate.

APPROVAL OF THE CONSOLIDATED AND STAND ALONE FINANCIAL STATEMENTS

The consolidated and stand alone financial statements set out on pages 131 to 214 were approved by the council on 19 June 2020 and signed on its behalf by:

Rector and Vice-chancellor

Chairman of the Council

Senior Director: Finance

Chris R. Liebenberg



Independent auditor's report to the Minister of Higher Education and Training and the Council of the University of the Free State on the University of the Free State

Report on the audit of the consolidated and stand alone financial statements

Opinion

We have audited the consolidated and stand alone financial statements of the University of the Free State and its subsidiaries (the group) set out on pages 131 to 214, which comprise the consolidated statement of profit or loss and other comprehensive income and the stand alone statement of profit or loss and other comprehensive income for the year ended 31 December 2019, the consolidated and stand alone statement of financial position as at 31 December 2019, the consolidated statement of changes in funds, the stand alone statement of changes in funds, the consolidated and stand alone statement of cash flows for the year then ended, as well as the notes to the consolidated and stand alone financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated and stand alone financial statements present fairly, in all material respects, the consolidated and stand alone financial position of the group as at 31 December 2019, and their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and the requirements of the Higher Education Act of South Africa, 1997 (Act no. 101 of 1997) (HEA).

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 and stand alone financial statements section of this auditor's report.

We are independent of the group in accordance with section 290 and 291 of the Independent Regulatory Board for Auditors' Code of professional conduct for Registered Auditors (Revised January 2018), parts 1 and 3 of the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (Revised November 2018) (together the IRBA Codes) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities, as applicable in accordance with the IRBA Codes and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Codes are consistent with the corresponding sections of the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) respectively.

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

 $\label{eq:pricewaterhouseCoopers Inc., 61 Second Avenue, Westdene, Bloemfontein, 9301, POBox 818, Bloemfontein, 9300 T: +27 (0) 51 503 4100, F: +27 (0) 51 503 4299/4399, www.pwc.co.za$

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 Council for the consolidated and stand alone financial statements

The council, which constitutes the accounting authority is responsible for the preparation and fair presentation of the consolidated and stand alone financial statements in accordance with IFRS and the requirements of the HEA, and for such internal control as the council determines is necessary to enable the preparation of consolidated and stand alone financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and stand alone 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 appropriate governance structure 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 and stand alone financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated and stand alone 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 and stand alone financial statements.

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

Report on the audit of the annual performance report

Introduction and scope

In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, we have a responsibility to report material findings on the reported performance information against predetermined objectives for selected objectives presented in the annual performance report. We performed procedures to identify findings but not to gather evidence to express assurance.

Our procedures address the reported performance information, which must be based on the approved performance planning documents of the university. We have not evaluated the completeness and appropriateness of the performance indicators/ measures included in the planning documents. Our procedures did not examine whether the actions taken by the university enabled and contributed to the achievement of service delivery outcomes as planned. Our procedures also did not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, our findings do not extend to these matters.

We evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected objectives presented in the annual performance report of the university for the year ended 31 December 2019:



Objectives	Pages in the annual performance report
Improve student success and well-being	9
Increase UFS contribution to local, regional and global knowledge	9
Achieve financial sustainability	9

We performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. We performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

We did not raise any material findings on the usefulness and reliability of the reported performance information for these objectives:

- Objective 1 Improve student success and well-being
- Objective 3 Increase UFS contribution to local, regional and global knowledge
- Objective 6 Achieve financial sustainability

Report on the audit of compliance with legislation

Introduction and scope

In accordance with the PAA and the general notice issued in terms thereof, we have a responsibility to report material findings on the compliance of the university with specific matters in key legislation. We performed procedures to identify findings but not to gather evidence to express assurance.

We did not raise material findings on compliance with the specific matters in key legislation set out in the general notice issued in terms of the PAA.

Other information

The council is responsible for the other information. The other information comprises the information included in the document titled "University of the Free State Annual Report to the Department of Higher Education and Training 2019". The other information does not include the consolidated and stand alone financial statements, the auditor's report and those selected objectives presented in the annual performance report that have been specifically reported in this auditor's report.

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

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 and stand alone financial statements and the selected objectives presented in the annual performance report, or our knowledge obtained



in the audit, or otherwise appears to be materially misstated. If based on the work we have performed, we conclude that there is a material misstatement in this other information, we are required to report that fact.

We have nothing to report in this regard.

Internal control deficiencies

We considered internal control relevant to our audit of the consolidated and stand alone financial statements, reported performance information and compliance with applicable legislation; however, our objective was not to express any form of assurance on it. We did not identify any significant deficiencies in internal control.

Other reports

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

Audit-related services and special audits

As requested by the University of the Free State, the following agreed upon procedures engagements were conducted:

Entity name / engagement	Purpose of the engagement	Status of engagement	Period covered
Department of Higher Education and Training - Infrastructure Grant	Agreeing of expenditure to contracts and supporting documentation.	Report issued	1 April 2019 to 31 March 2020
Department of Higher Education and Training - Financial data submission	Agreeing of financial data to the Consolidated Financial Statements.	Report issued	1 January 2019 to 31 December 2019
National Research Foundation Grants (Other NRF - Awards)	Agreeing of expenditure against grant contracts and supporting documentation.	Report issued	1 January 2019 to 31 December 2019
National Research Foundation Grants (SKA - Awards)	Agreeing of expenditure against grant contracts and supporting documentation.	Report issued	1 January 2019 to 31 December 2019
Department of Higher Education and Training - Published research articles / Research Output Certificates (ROC)	Agreeing of research outputs of published articles to supporting documentation and personnel records.	Report issued	1 January 2019 to 31 December 2019
Department of Higher Education and Training - Clinical Research Funding	Agreeing expenditure on the grant to supporting documentation.	Report issued	1 April 2019 to 31 March 2020
Department of Higher Education and Training - Clinical Enrolment Headcount	Agreeing of student statistics to the underlying financial systems and data.	In progress	1 January 2019 to 31 December 2019



Entity name / engagement	Purpose of the engagement	Status of engagement	Period covered
Department of Higher Education and Training – University Capacity Development Grant	Agreeing of expenditure to supporting documentation.	Report issued	1 January 2019 to 31 December 2019
Department of Higher Education and Training - Foundation Programme	Agreeing of expenditure to supporting documentation.	Report issued	1 April 2019 to 31 March 2020
Department of Higher Education and Training – Full Time Equivalent Student Statistics	Agreeing of student statistics to the underlying financial systems and data.	In progress	1 January 2019 to 31 December 2019
Department of Higher Education and Training – New Generations of Academics Programme (nGAP)	Agreeing of expenditure to supporting documentation.	Report issued	1 April 2019 to 31 March 2020
University of the Free State – Serenade Sing-off	Agreeing of voting results.	Report issued	21 August 2019 to 24 August 2019
University of the Free State – Stagedoor Serenade	Agreeing of voting results.	Report issued	11 March 2020 to 14 March 2020
Kovsie FM	Agreeing of expenditure to supporting documentation.	Report issued	1 January 2019 to 31 December 2019
National Student Financial Aid Scheme (NSFAS) and the Department of Higher Education and Training (DHET) - Historic Debt Claim for 2017 & 2018	Agreeing of information on the historic debt claim to supporting documentation.	Report issued	1 January 2017 to 31 December 2018
University of the Free State - Alumni Council Member Elections	Agreeing of voting results	Report issued	15 October 2019 to 14 November 2019

Auditor tenure

In terms of the IRBA rule published in Government Gazette Number 39475 dated 4 December 2015, we report that PricewaterhouseCoopers Inc. has been the auditor of the University of the Free State for 25 years.

Pricewaterhouse Coopers Inc.

Director: L Rossouw Registered Auditor 25 June 2020 Bloemfontein



Annexure – Auditor's responsibility for the audit

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

Financial statements

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

- identify and assess the risks of material misstatement of the consolidated and stand alone 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 by the council, which constitutes the accounting authority.
- conclude on the appropriateness of the council, which constitutes the accounting authority's 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 related to events or conditions that may cast significant doubt on the University of the Free State and its subsidiaries ability 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 financial statements about the material uncertainty or, if such disclosures are inadequate, to modify the opinion on the 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 continuing as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the
 disclosures, and whether the financial statements represent the underlying transactions and events
 in a manner that achieves fair presentation.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements.
 We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

Communication with those charged with governance

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

We also confirm to the council that we have complied with relevant ethical requirements regarding independence and communicate all relationships and other matters that may reasonably be thought to have a bearing on our independence and, where applicable, related safeguards.

Consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2019 (all amounts in R'000) UNIVERSITY OF THE FREE STATE

				2019					2018		
GROUP	Notes	Council controlled Unrestricted	Specifically funded activities Restricted	SUB - TOTAL	Student & staff accommodation Restricted	TOTAL	Council controlled Unrestricted	Specifically funded activities Restricted	SUB - TOTAL	Student & staff accommodation Restricted	TOTAL
TOTAL INCOME		2 751 103	419 940	3 171 042	170 710	3 341 752	2 444 195	361841	2 806 036	151 839	2 957 875
State appropriations - subsidies and grants	6.	1336 806	235 194	1571999	9 574	1 581 573	1169 461	178 989	1348450	10 681	1359 131
Tuition and other fee income	7.	1 219 414	(12)	1 219 402	159 656	1379 058	1102837	272	1103109	139 474	1 242 583
Income from contracts	<u>«</u>	43 000	160 917	203 917	1478	203 917	23 703	153 595	177 298	ı	177 298
Sales of goods and services	.6	132 150	7 296	139 446	ı	140 924	134 726	1110	135 836	1648	137 484
Private gifts and grants	10.	22 252	16 897	39 149	2	39 151	15 878	29 749	45 627	4	45 631
Miscellaneous income	1	(2 519)	(352)	(2 871)		(2871)	(2 410)	(1874)	(4 284)	32	(4 252)
TOTAL EXPENDITURE	!	2 397 162	422 340	2 819 502	149 372	2 968 874	2 290 103	414 734	2 704 837	113 187	2 818 024
Personnel costs	12.	1472 640	194 064	1666704	42 457	1709 161	1 377 235	177 967	1555 202	36 560	1591761
Other operating expenses	13.	858 946	222 952	1 081 898	106 914	1188 813	794 481	228 191	1022673	76 627	1 099 300
Depreciation and amortisation 18.1; 18	18.1; 18.2; 18.3	65 576	5 324	70 900	ı	70 900	118 387	8 576	126 963	ı	126 963
OPERATING SURPLUS /(LOSS) FOR THE YEAR		353 941	(2 401)	351540	21338	372 878	154 092	(52 893)	101199	38 652	139 851
Other income		377 187	25 623	402 810	_	402 811	272 860	105 920	378 780	-	378 782
Interest and dividends	14.	245 390	19 923	265 314	1	265 315	225 775	20 056	245 831	_	245 832
Investment income		131 797	2 896	137 692	1	137 692	47 085	1087	48 172	ı	48 172
Share of net profit /(loss) from associate		1	(197)	(197)	I	(197)	I	3 486	3 486	ı	3 486
accounted for using the equity method Net gain on purchase of subsidiary	25.4	1	1	1	1		1	81 291	81291	1	81 291
Administration cost on financial assets	15.	(15 238)	(733)	(15 971)	1	(15 971)	(14 496)	(768)	(15 264)	1	(15 264)
Interest paid on loans	17.6	1	(860)	(860)	(21 027)	(21888)	1	(3 694)	(3 694)	(20 558)	(24 252)
Net surplus for the year before market value adjustments on investments		715 889	21 629	737 518	312	737 831	412 457	48 565	461 022	18 095	479 117
Revaluation of investments to market value at year end	17.4	233 480	1 007	234 486	I	234 486	(193 188)	(203)	(193 891)	1	(193 891)
Net surplus for the year before income tax		949 369	22 636	972 005	312	972 317	219 269	47 862	267 131	18 095	285 226
Income tax expense	16.	ı	13 025	13 025	1	13 025	1	10 280	10 280	ı	10 280
NET SURPLUS		949 369	35 661	985 030	312	985 342	219 269	58 142	277 412	18 095	295 507
OTHER COMPREHENSIVE INCOME											
Items that will not be reclassified to profit or loss											
Recognition of post-retirement group life actuarial gains	18.6.4	(3 882)	1	(3 882)	ı	(3 882)	(837)	1	(837)	1	(837)
Recognition of post-retirement medical actuarial gains	18.6.3	76 610	1	76 610	I	76 610	18 605	ı	18 605	ı	18 605
Recognition of post-retirement pension actuarial gains /(loss)	18.6.2	(51 811)	İ	(51 811)	1	(51 811)	6 797	1	6 797	ı	6 797
TOTAL COMPREHENSIVE SURPLUS FOR THE YEAR	_	970 182	35 661	35 661 1005 843	312	1 006 155	243 834	58 142	301 977	18 095	320 072

The above consolidated and stand alone statement of financial position should be read in conjunction with the accompanying notes.

Stand alone statement of profit or loss and other comprehensive income for the year ended 31 December 2019 (all amounts in R'000) UNIVERSITY OF THE FREE STATE

				2019					2018		
UNIVERSITY		Council	Specifically funded	<u> </u>	Student & staff		Council	Specifically funded	9	Student & staff	
	Notes	Unrestricted	Restricted	SUB - TOTAL	Restricted	TOTAL	Unrestricted	Restricted	SUB - TOTAL	Restricted	TOTAL
TOTAL INCOME		2764522	348 935	3 113 457	170 710	3 284 167	2 444 195	295 528	2 739 724	151 839	2 891 563
State appropriations - subsidies and grants	.9	1336 806	235 194	1 571 999	9 574	1 581 573	1 169 461	178 989	1348450	10 681	1359 131
Tuition and other fee income	7.	1 219 414	(12)	1219402	159 656	1379 058	1102837	272	1103109	139 474	1 242 583
Income from contracts	80	43 200	97 156	140 357	ı	140 357	23 703	89 799	113 502	I	113 502
Sales of goods and services	9.	145 369	2 701	148 071	1478	149 549	134 726	171	134 897	1648	136 545
Private gifts and grants	10.	22 252	13 895	36 147	2	36 149	15 878	26 298	42 176	4	42 180
Miscellaneous income	П.	(2 519)	1	(2 519)	I	(2 519)	(2 410)	1	(2 410)	32	(2 378)
TOTAL EXPENDITURE		2 397 930	319 601	2 717 531	149 372	2 866 903	2 290 103	313 606	2 603 709	113 187	2 716 896
Personnel costs	12.	1 472 640	125 394	1598 034	42 457	1640 492	1377 235	118 836	1496 070	36 560	1532 630
Other operating expens	13.	859 714	194 207	1053921	106 914	1160 835	794 481	194 770	989 252	76 627	1 065 878
Depreciation and amortisation	18.1; 18.2; 18.3	65 576	-	65 576	1	65 576	118 387	1	118 387	1	118 387
OPERATING SURPLUS /(LOSS) FOR THE YEAR		366 592	29 334	395 926	21 338	417 264	154 092	(18 077)	136 015	38 652	174 667
Other income		378 878	23 098	401 976	_	401 977	272 860	102 892	375 752		375 754
Interest and dividends	14.	247 081	17 975	265 056	1	265 058	225 775	17 099	242 874	1	242 875
Investment income		131 797	5 319	137 116	ı	137 116	47 085	1016	48 101	ı	48 101
Share of net profit /(loss) from associate accounted for using the equity method		ı	(197)	(197)	1	(197)	ı	3 486	3 486	I	3 486
Net gain /(loss) on purchase of subsidiary	25.4	1	1	1	1	1	1	81 291	81 291	1	81 291
Administration cost on financial assets	15.	(15 238)	(883)	(15 921)	İ	(15 921)	(14 496)	(617)	(15 215)	I	(15 215)
Interest paid on loans	17.6	1	1	1	(21 027)	(21 027)	1	1	'	(20 558)	(20 558)
Net surplus for the year before market value adjustments on investments		730 231	51749	730 231	312	782 292	412 457	84 096	496 553	18 095	514 648
Revaluation of investments to market value at year end	17.4	233 480		233 480	1	233 480	(193 188)	1	(193 188)	1	(193 188)
NET SURPLUS		963 711	51749	1 015 460	312	1 015 772	219 269	84 096	303 365	18 095	321 461
OTHER COMPREHENSIVE INCOME											
Items that will not be reclassified to profit or loss											
Recognition of post-retirement group life actuarial gains	18.6.4	(3 985)	I	(3 885)	ı	(3 882)	(837)	I	(837)	ı	(837)
Recognition of post-retirement medical actuarial gains	18.6.3	76 610	ı	76 610	1	76 610	18 605	ı	18 605	1	18 605
Recognition of post-retirement pension actuarial gains /(loss)	18.6.2	(51 811)	ı	(51811)	1	(51 811)	6 797	I	6 797	I	6 797
TOTAL COMPREHENSIVE SURPLUS FOR THE YEAR		984 524	51 749	1 036 273	312	312 1 036 586	243 834	84 096	327 930	18 095	346 026

The above consolidated and stand alone statement of financial position should be read in conjunction with the accompanying notes.



CONSOLIDATED AND STAND ALONE STATEMENT OF FINANCIAL POSITION as at 31 December 2019

		GROUF		UNIVERS	ITY
		2019	2018	2019	2018
	Notes	R ' 000	R ' 000	R ' 000	R ' 000
ASSETS					
Non-current assets					
Property, plant and equipment	18.1	1499796	1 317 535	1 441 591	1 255 129
Investment property	18.2	19 606	20 387	27 534	33 572
Intangible assets	18.3	5 865	6 023	5 865	6 023
Financial assets at fair value through profit or loss (FVPL)	17.4	4 562 752	4 095 244	4 544 387	4 078 855
Investment in subsidiary	24.3	-	-	96 707	96 707
Investment in associates	24.3	201	398	201	398
Student and other loans	17.2	2 636	1 674	39 630	3 588
Retirement benefit surplus	18.6.2	95 641	141 563	95 641	141 563
Deferred tax asset	18.8	18 934	5 110	-	-
Total non-current assets	_	6 205 431	5 587 935	6 251 556	5 615 836
Current assets					
Financial assets at fair value through profit or loss (FVPL)	17.4	1 210 338	1180 478	1 207 434	1 177 778
Inventory	18.4	8 167	8 441	8 167	8 441
Biological assets	18.5	7 463	8 081	3 018	3 009
Trade and other receivables	17.1	268 023	223 086	242 836	204 949
Cash and cash equivalents	17.3	448 853	152 129	441 233	135 956
Total current assets		1 942 844	1 572 215	1 902 687	1 530 133
Total assets		8 148 276	7 160 150	8 154 243	7 145 969

The above consolidated and stand alone statement of financial position should be read in conjunction with the accompanying notes.



CONSOLIDATED AND STAND ALONE STATEMENT OF FINANCIAL POSITION as at 31 December 2019

		GROL	JP	UNIVER	SITY
	Notes	2019 R ' 000	2018 R ' 000	2019 R ' 000	2018 R ' 000
FUNDS AND LIABILITIES					
Funds and reserves					
Unrestricted funds - Education and general		3 848 663	3 272 868	3 863 005	3 272 868
Unrestricted use funds		890 675	754 305	890 675	754 305
Unrestricted designated funds		2 957 988	2 518 564	2 972 330	2 518 564
Restricted funds - Education and general		483 458	464 826	555 518	518 670
Funds for specific purposes		332 203	290 302	332 203	296 830
Trust and endowment funds		151 256	174 524	223 316	221 840
Restricted funds - Residences		96 665	98 406	96 665	98 406
Financial instruments at Fair value through profit and loss reserves		711 578	477 092	708 114	474 635
Fixed assets fund Property plant and equipment		1 519 403	1 337 922	1 469 125	1 288 702
Total funds and reserves		6 659 767	5 651 114	6 692 428	5 653 281
Non-current liabilities					
Borrowings	17.6	185 769	191 998	185 769	191 998
Post employment medical obligation	18.6.3	491 175	521 987	491 175	521 987
Post employment group life insurance obligation	18.6.4	22 776	18 791	22 776	18 791
Accrued leave provision		154 616	152 240	154 616	152 240
Total non-current liabilities		854 336	885 017	854 336	885 017
Current liabilities					
Trade and other payables	17.5	482 295	370 127	458 773	355 793
Deferred tax liabilities	18.8	1284	485	-	-
Deferred income	18.7	133 756	238 378	133 756	238 378
Accrued leave provision	18.6.1	16 838	15 030	14 950	13 501
Total current liabilities		634 173	624 019	607 480	607 672
Total funds and liabilities		8 148 276	7 160 150	8 154 243	7 145 969

The above consolidated and stand alone statement of financial position should be read in conjunction with the accompanying notes.

UNIVERSITY OF THE FREE STATE CONSOLIDATED STATEMENT OF CHANGES IN FUNDS for the year ended 31 December 2019 (all amounts in R'000)

GROUP												
Description	Notes	Total	Accumulated fund Unrestricted	Designated Unrestricted	SUB - TOTAL A	Funds for specific purposes Restricted	Trust and endowment funds Restricted	SUB - TOTAL B	Residence Fund Restricted	Financial instruments at FVPL reserves	Fixed assets fund PPE Restricted	SUB- TOTAL C
Restated balance at 31-12-2017		5 326 252	798 031	2 113 128	2 911160	309 837	152 323	462 160	82 249	670 982	1199 702	1952933
Net surplus		295 507	(43 726)	262 996	219 269	(227)	58369	58 142	18 095	1	I	18 095
Reallocation of financial assets at fair value through profit or loss to designated reserves		I	1	193 188	193 188	1	703	703	1	(193 891)	1	193 891
Reallocation of funds		ı	1	19 436	19 436	(19 382)	(1)	(19 383)	(53)	1	I	(23)
Other additions (1)		4 790	1	46	46	1	4 745	4 745	ı	ı	I	1
Fixed asset reallocation		ı	ı	(94 795)	(94 795)	74	(41 615)	(41 541)	(1885)	ı	138 220	136 335
Recognition of post-retirement group life actuarial gains / (losses)	17.6.4	(837)	ı	(837)	(837)	1	ı	1	1	1	ı	I
Recognition of post-retirement medical actuarial gains	17.6.3	18 605	1	18 605	18 605	ı	ı	1	1	ı	1	ı
Recognition of post-retirement pension actuarial gains / (losses)	17.6.2	6 797	1	6 797	6 7 9 7	1	ı	_	1	ı	ı	1
Balance at 31-12-2018		5 651 114	754 305	2 518 564	3 272 868	290 302	174 524	464 826	98 406	477 092	1 337 922	1 913 420
Net surplus		985 342	136 371	812 998	949 369	52 451	(16 790)	35 661	312	1	312	
Reallocation of financial assets at fair value through profit or loss to designated reserves		I	ı	(233 480)	(233 480)	ı	(1007)	(1007)	1	234 486	ı	234 486
Reallocation of funds		1	1	3 902	3 902	2 625	(6 528)	(3 902)	1	1	ı	1
Other additions (1)		2 497	1	384	384	1	2 113	2 113	1	1	1	1
Fixed asset reallocation		ı	ı	(165 194)	(165 194)	(13 176)	(1058)	(14 233)	(2 053)	ı	181481	179 427
Recognition of post-retirement group life actuarial gains / (losses)	17.6.4	(3 985)	1	(3 985)	(3 985)	1	ı	1	1	1	ı	1
Recognition of post-retirement medical actuarial gains	17.6.3	76 610	1	76 610	76 610	1	1	1	1	ı	ı	1
Recognition of post-retirement pension actuarial gains / (losses)	17.6.2	(51811)	1	(51811)	(51811)	1	-	_	1	1	-	I
Balance at 31-12-2019		6 659 767	890 675	2 957 988	3 848 663	332 203	151 256	483 458	96 665	711578	1519 403	2 327 646

(i) Profit on realisation of trust funds, funds for designated use. The above consolidated statement of changes in funds should be read in conjunction with the accompanying notes

UNIVERSITY OF THE FREE STATE

STAND ALONE STATEMENT OF CHANGES IN FUNDS for the year ended 31 December 2019 (all amounts in R'000)

UNIVERSITY												
Description	Notes	Total	Accumulated fund Unrestricted	Designated Unrestricted	SUB - TOTAL A	Funds for specific purposes Restricted	Trust and endowment funds Restricted	SUB - TOTAL B	Residence fund Restricted	Financial instruments at FVPL reserves Restricted	Fixed assets fund PPE	SUB - TOTAL C
Restated balance at 31-12-2017		5 306 956	798 031	2 113 128	2 911 160	311 146	135 800	446 946	82 249	667 822	1 198 779	1 948 850
Net surplus		321 461	(43 726)	262 996	219 269	(1 679)	85 775	84 096	18 095	1	1	18 095
Reallocation of financial assets at fair value through profit or loss to designated reserve		1	ı	193 188	193 188	ı	I	I	ı	(193 188)	ı	(193 188)
Reallocation of funds		ı	1	19 447	19 447	(19 382)	(12)	(19 394)	(53)	1	ı	(53)
Other additions (1)		299	ı	35	35	1	265	265	1	ı	1	ı
Fixed asset reallocation		1	1	(94 795)	(94 795)	6 745	12	6 757	(1885)	1	89 923	88 038
Recognition of post-retirement group life actuarial gains / (losses)	17.6.4	(837)	I	(837)	(837)	1	ı	ı	I	ı	ı	I
Recognition of post-retirement medical actuarial gains	17.6.3	18 605	ı	18 605	18 605	1	ı	ı	ı	ı	ı	I
Recognition of post-retirement pension actuarial gains / (losses)	17.6.2	6 797	ı	6 797	6 797	ı	ı	ı	1	1	I	I
Balance at 31-12-2018		5 653 281	754 305	2 518 564	3 272 868	296 830	221 840	518 670	98 406	474 635	1 288 702	1 861 742
Net surplus		1 015 772	136 371	827 340	963 711	52 451	(702)	51 749	312	ı	I	312
Reallocation of financial assets at fair value through profit or loss to designated reserve		ı	I	(233 480)	(233 480)	ı	ı	ı	ı	233 480	ı	233 480
Reallocation of funds		64	ı	3 902	3 902	(3 902)	64	(3 838)	ı	1	1	1
Other additions (1)		2 497	1	384	384	1	2 113	2 113	1	1	1	1
Fixed asset reallocation		1	1	(165 194)	(165 194)	(13 176)	ı	(13 176)	(2 053)	1	180 423	178 370
Recognition of post-retirement group life actuarial gains / (losses)	17.6.4	(3 985)	1	(3 985)	(3 985)	ı	ı	1	ı	ı	ı	I
Recognition of post-retirement medical actuarial gains	17.6.3	76 610	I	76 610	76 610	I	ı	ı	I	ı	ı	I
Recognition of post-retirement pension actuarial gains / (losses)	17.6.2	(51 811)	1	(51 811)	(51 811)	1	ı	ı	ı	1	I	I
Balance at 31-12-2019		6 692 428	890 675	2 972 330	3 863 005	332 203	223 316	555 518	96 665	708 114	1 469 125	2 273 904

(1) Profit on realisation of trust funds, funds for designated use The above stand alone statement of changes in funds should be read in conjunction with the accompanying notes



CONSOLIDATED AND STAND ALONE STATEMENT OF CASH FLOWS for the year ended 31 December 2019

		Grou	р	Univers	sity
	Notes	2019 R' 000	2018 R' 000	2019 R' 000	2018 R' 000
Cash flow from operating activities	Notes	K 000	K 000	K 000	K 000
Cash generated from operations	20	592 629	516 765	627 899	541 504
NET CASH INFLOW FROM OPERATING ACTIVITIES	-	592 629	516 765	627 899	541 504
Cash flow from investing activities					
Investment income less cost of finance					
Dividends received	14	62 974	66 357	62 725	66 125
Interest income	14	202 342	179 475	202 332	176 750
Administration cost financial assets	15	(15 971)	(15 264)	(15 921)	(15 215)
Purchase of property, plant and equipment and cost of patents		(255 523)	(221 848)	(248 986)	(211 903)
Inflow of grant income designated for the purchase of property, plant and equipment	18.7	77 124	126 932	77 124	126 932
		(77 124)	(126 932)	(77 124)	(126 932)
Purchase of property, plant and equipment and cost of patents relating to grants	18.7				
Purchase of financial assets	17.4	(3 742 949)	(4 321 078)	(3 741 776)	(4 320 481)
Proceeds on disposal of available for sale financial assets	6	3 480 068	3 781 581	3 480 068	3 781 581
Proceeds on disposal of assets	18.1	626	576	626	576
Proceeds on disposal of trust funds		2 497	310	2 497	310
Increase in cash due to business combination	25	-	45 745	-	-
Capital repayment on business combination	25	-	33 377	-	33 377
NET CASH OUTFLOW FROM / (UTILISED IN) INVESTING ACTIVITIES	=	(265 936)	(450 769)	(258 434)	(488 880)
Cash flow from financing activities					
Repayments on borrowings	20.2	(28 983)	(19 747)	(28 123)	(16 053)
Increase in loans granted	20.2	(986)	-	(36 066)	(1914)
NET CASH OUTFLOW FROM / (UTILISED IN) FINANCING ACTIVITIES	-	(29 968)	(19 747)	(64 188)	(17 967)
Increase / (decrease) in cash and cash equivalents		296 724	46 248	305 277	34 656
Cash and cash equivalents at beginning of year		152 129	105 880	135 956	101 300
Cash and cash equivalents at end of year	12	448 853	152 128	441 233	135 956

The above consolidated and stand alone statement of cash flows should be read in conjunction with the accompanying notes.



NOTES TO THE CONSOLIDATED AND STAND ALONE FINANCIAL STATEMENTS for the year ended 31 December 2019

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NOTES TO THE CONSOLIDATED AND STAND ALONE FINANCIAL STATEMENTS for the year ended 31 December 2019

Notes to the financial statements

1 General information

The financial statements were authorised for issue by the Council on 19 June 2019.

The University of the Free State is a Public University established under the Higher Education Act no 101 of 1997, as amended by Act 54 of 2000. The University of the Free State is domiciled in South Africa and the operations and principal activities of the University relate to education, research and community service, based on its vision and mission.

The financial statements is for the group, consisting of the University of the Free State and its subsidiaries.

2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these consolidated annual financial statements are set out below. Where an accounting policy relates to separately disclosed transactions or balances, it is included under that specific note. These policies are consistently applied for all years presented, unless otherwise stated.

2.1 Basis for preparation

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), International Financial Reporting Interpretations Committee (IFRIC) interpretations and are prepared in the manner prescribed by the Minister of Higher Education and Training in terms of the Higher Education Act no 101 of 1997, as amended by Act 54 of 2000. The financial statements comply with IFRS as issued by the International Accounting Standards Board (IASB).

The consolidated financial statements have been prepared under the historical cost basis, except where otherwise specified in the individual accounting policy notes in the financial statements.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the University's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 21.1 "Critical accounting estimates and judgements".

The presentation currency of the University is South African Rands. All amounts are rounded to the nearest thousand Rand.

2.1.1 Going concern

The University's forecast and projections, taking account of reasonably possible changes in operating circumstances, show that the University should be able to operate within its current financing.

Council has a reasonable expectation that the University has adequate resources to continue in operation existence for the foreseeable future. The University therefore continues to adopt the going concern basis in preparing its annual financial statements.



NOTES TO THE CONSOLIDATED AND STAND ALONE FINANCIAL STATEMENTS for the year ended 31 December 2019

3. Changes in accounting policies and disclosures

3.1 New and amended standards adopted by the University.

The group has applied the following standards and amendments for the first time for their annual reporting period commencing 1 January 2019:

- IFRS 16 Leases
- Long-term Interests in Associates and Joint Ventures Amendments to IAS 28
- Annual Improvements to IFRS Standards 2015 2017 Cycle
- Interpretation 23 Uncertainty over Income Tax Treatments.

The group had to change its accounting policies as a result of adopting IFRS 16. The group elected to adopt the new rules retrospectively but recognised the cumulative effect of initially applying the new standard on 1 January 2019. The effect was not material and therefore was not disclosed separately. The other amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

3.2 Standards, amendments and interpretations to existing standards effective after 1 January 2019.

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2019 reporting periods and have not been early adopted by the group. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

4. Segment reporting

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. Segmentation provided in the Statement of Comprehensive Income of these 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 (not required for the University).



NOTES TO THE CONSOLIDATED AND STAND ALONE FINANCIAL STATEMENTS for the year ended 31 December 2019

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5. Statement of profit or loss and other comprehensive income: separate activities

The format of the statement of profit or loss and comprehensive income is designed to disclose separately:

- the utilisation of resources that are under the absolute control of the Council (Council controlled Unrestricted);
- the utilisation of those resources which are prescribed in terms of the legal requirements of the providers of such resources (Specifically funded activities restricted); and
- the provision of accommodation for students and / or staff (Student and Staff accommodation restricted).

General accounting policies pertaining to the statement of profit or loss and other comprehensive income:

Council controlled unrestricted

Included in council controlled unrestricted income, is designated unrestricted income. Although the funds are under the control of council, they are designated for specific purposes. In all instances any such income is recognised as income in the financial period when the University is entitled to use those funds. The funds will not be used until some specified future period or occurrence and are held in an appropriate fund until the financial period in which the funds can be used.

Income on assets representing restricted funds

Investment funds are pooled and the investment income is apportioned to the various participating funds in proportion to their balances. Interest, dividends and other income received or due on assets representing endowment is recognised via profit or loss to the respective funds.

Interdepartmental income

Interdepartmental income and expenditure are eliminated.



NOTES TO THE CONSOLIDATED AND STAND ALONE FINANCIAL STATEMENTS for the year ended 31 December 2019

6. State appropriations: Subsidy and grant income

Accounting policy:

State subsidies and grants for general purposes are recognised as income in the financial year to which the subsidy relates. Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the University will comply with all attached conditions. Government grants relating to costs are deferred and recognised in the income statement over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to property, plant and equipment are offset against the carrying amount of the relevant asset and unspent government grants relating to property, plant & equipment are presented as deferred income in the balance sheet.

State subsidy for general purpose assistance Earmarked grants

Group		Universit	У
2019	2018	2019	2018
R'000	R'000	R ' 000	R'000
1 355 692	1052808	1355 692	1 052 808
225881	306 323	225 881	306 323
1 581 573	1 359 131	1 581 573	1 359 131

There are no unfulfilled conditions or other contingencies attached to the subsidies and grants that have been recognised above, some of which are classified as restricted income. Also refer to note 18.7 for deferred revenue relating to government grants.

7. Tuition and other fee income

Accounting policy:

Tuition and other fee income is only recognised when the amount can be measured reliably and future economic benefits will flow to the group. Also refer to note 22.2.2.1 for the accounting policy on measuring expected credit losses.

As per IFRS 15, a new five-step process must be applied before revenue can be recognised:

- identify contracts with students.
- identify the separate performance obligation
- determine the transaction price
- allocate the transaction price to each of the separate performance obligations, and
- recognise the revenue as each performance obligation is satisfied.

Area of significant management judgement and estimation

The group uses its judgement to determine what performance obligations in contracts with students are and if this obligations are satisfied to recognise revenue in accordance to the accounting policy stipulated above. When the registration of a student is finalised income is recognised on tuition fees and accommodation. Judgement is also used to allocate the transaction price over the performance obligations.

Tuition fees Student accommodation Income from short learning programmes

Number of students enrolled at the university

Group		University		
2019 R ' 000	2018 R ' 000	2019 R ' 000	2018 R ' 000	
1193 822	1 074 285	1193 822	1 074 285	
164 596	142 495	164 596	142 495	
20 639	25 803	20 639	25 803	
1379 058	1 242 583	1 379 058	1 242 583	
		41 922	39 832	

8. Income from contracts

Accounting policy:

As per IFRS 15, a new five-step process must be applied before revenue can be recognised:

- identify contracts with customers
- identify the separate performance obligation
- determine the transaction price of the contract
- allocate the transaction price to each of the separate performance obligations, and
- recognise the revenue as each performance obligation is satisfied.

Bundled goods or services that are distinct will be separately recognised, and any discounts or rebates on the contract price will be allocated to the separate elements.

Research and other income

In additional to the accounting policies under note 5, in certain instances contracts are received for specific purposes with a contractual outcome and the funding does not allow for the retention of any of the capital or any of the profit by the Group. Unspent income is treated as income in advance in the statement of financial position, and is returned to the sponsor at the end of the contract period as required. The balance of the restricted funds on contract close-out will become unrestricted if all obligations in terms of the contract have been met, and where the requirement to return such funds to the sponsor has been waived. These funds are then utilised to support ongoing research. Actual work performed method is used to account for research and other contracts. In addition, judgements are required when recognising and measuring any variations or claims on each contract.

Research and other expenditure relating to contracts

Research and other expenditure relating to contracts is recognised as an expense when incurred. Costs that are directly attributable to the development of intangible assets are capitalised. Refer to note 18.3 for additional disclosures.

Income from clinical research contracts

Revenue from clinical research contracts is therefore recognised over time based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs. The group considers this method an appropriate measure of the progress towards complete satisfaction of the performance obligations.

The group becomes entitled to invoice customers for research based on achieving a series of performance related milestones. When a particular milestone is reached the customer is sent a relevant statement of work and an invoice for the related milestone payment. The group will previously have recognised a contract asset for any work performed. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point at which it is invoiced to the customer. If the milestone payment exceeds the revenue recognised to date under the cost—to—cost method then the company recognises a contract liability for the difference.

Area of significant management judgement and estimation

The group uses it's judgement to determine what performance obligations in contracts are and if this obligations are satisfied to recognise revenue in accordance to the accounting policy stipulated above. Judgement is also used to allocate the transaction price over the performance obligations.

Income from contracts
for research
for other activities for clinical research contracts

Group		University	
2019 R ' 000	2018 R ' 000	2019 R ' 000	2018 R ' 000
32 935	34 120	32 935	34 120
106 452	79 382	107 422	79 382
64 529	63 796	-	-
203 917	177 298	140 357	113 502

Financing components

It is not the practice of the group to provide finance facilities. The group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the group does not adjust any of the transaction prices for the time value of money.



NOTES TO THE CONSOLIDATED AND STAND ALONE FINANCIAL STATEMENTS for the year ended 31 December 2019

9. Sales of goods and services

Accounting policy:

As per IFRS 15, a new five-step process must be applied before revenue can be recognised:

- identify contracts with customers
- identify the separate performance obligation
- determine the transaction price of the contract
- allocate the transaction price to each of the separate performance obligations, and
- recognise the revenue as each performance obligation is satisfied.

Income is generally recognised at the fair values of the amounts of goods or services received or receivable with consideration of the 5 step approach above. Income is shown net of value-added tax, returns, rebates and discounts. Income derived from occasional sales and services are thus recognised in the period in which the performance obligations are met. Performance obligations are generally met when the services or the goods are delivered. A receivable is recognised when the services are rendered or the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

No warranties or related obligations for the group exist.

Sales of goods and services
Letting of buildings
Transport income
Other trade revenue
Income from sale of academic notes
Miscellaneous
TOTAL

Group		University	
2019 R ' 000	2018 R ' 000	2019 R ' 000	2018 R ' 000
11 472	14 034	19 326	18 957
20 172	12 064	20 172	12 064
62 614	71 399	65 559	68 769
12 057	13 163	12 057	13 163
34 609	26 823	32 435	23 592
140 924	137 484	149 549	136 545

Financing components

The group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the group does not adjust any of the transaction prices for the time value of money.

10. Private gifts and grants

Accounting policy:

Donations and gifts are recognised upon receipt when the funder can be specifically identified. When not identified, the receipts are treated as a liability and subsequently allocated to revenue when the funder can be identified and it can be determined if any conditions should be met. Donations in kind are recognised at fair value.

General donations
Donations for bursaries and scholarships

Group		University	
2019 R ' 000	2018 R ' 000	2019 R ' 000	2018 R ' 000
22 254	17 844	22 254	17 844
16 897	27 787	13 895	24 336
39 151	45 631	36 149	42 180



NOTES TO THE CONSOLIDATED AND STAND ALONE FINANCIAL STATEMENTS for the year ended 31 December 2019

11. Other income

Accounting policy:

Profit on disposal of property, plant and equipment

Gains and losses on disposals are determined by comparing proceeds with carrying amount. The gains or losses are recognised when the ownership of the assets is transferred. These gains or losses are included in profit or loss. When revalued assets are sold, it is group policy to transfer any amounts included in other reserves in respect of those assets to retained earnings.

Gain on revaluation of biological assets

Refer to note 18.5 for the accounting policies relating to biological assets.

Profit / (loss) on disposal of property, plant and equipment Gain / (loss) on revaluation of biological assets

Group		University	
2019	2018	2019	2018
R ' 000	R ' 000	R ' 000	R'000
(2 674)	(4458)	(2519)	(2378)
(197)	206	-	-
(2 871)		(2519)	

12. Personnel costs

Accounting policy:

Personnel costs are charged to the Statement of profit or loss when related services are rendered.

Salaries and wages
Academic professionals
Other personnel
Employee benefits
Total salaries and wages
Average monthly number of people employed by the University* during the year:
Full time - Lecturing
Full time - Support
Part time - Lecturing
Part time - Support

	University		Group
2018 R ' 000	2019 R ' 000	2018 R ' 000	2019 R ' 000
730 427	781 537	730 990	782 041
704 428	777 846	762 996	845 781
97 775	81 109	97 775	81 339
1532 630	1 640 492	1591761	1709 161
2018 Number		2019 Number	
0.05		1.016	

1016	995
1673	1658
1220	1188
1816	1 451
5 725	5 292
	·

[•] The numbers disclosed do not include people employed on the joint staff establishment of the Free State Department of Health or employees of the subsidiaries.



NOTES TO THE CONSOLIDATED AND STAND ALONE FINANCIAL STATEMENTS for the year ended 31 December 2019

12.1 Remuneration of Executive Management

The following information is provided in compliance with the Higher Education Act (Act 101 of 1997, as amended) and the regulations for Annual Reporting by Higher Education Institutions (section 7.4). Remuneration of executive staff is based on the cost of employment to the university.

		2019	2018
Remuneration of executive management rela	ting to the University	R ' 000	R'000
Name	Designation		
Petersen FW, Prof	Rector and Vice-Chancellor	4 712	4 257
Lenkabula P, Prof	Vice-Rector: External Relations (from 1 June 2018)	2 422	1 441
Morgan N, Prof	Vice-Rector: External Relations (acting from 1 October 2017 to 1 June 2018)	-	945
Van Staden E,	Vice-Rector: Academic (from 1 January 2019)	2 505	-
Lange L, Prof	Vice-Rector: Academic (to 31 January 2018)	-	236
Witthuhn RC, Prof	Vice-Rector: Research	2 433	2 256
Naidoo P, Prof	Vice-Rector: University Operations	2 520	2 249
Ntshababa N,	Registrar (From 1 May 2019)	1266	-
Vinger MJ, Dr	Registrar Governance and Policies (to 1 December 2018)	-	4 465
Lazenby K, Dr	Registrar Systems and Administration (to 31 December 2018)	-	3 721
Coetzee D, Prof	Dean: South Campus	1562	1397
Mgolombane P, Mr	Dean: Student affairs	1 654	1530
Manchu TI, Mr	Qwa-Qwa Campus Principal (Acting from 1 October 2017 to 31 July 2018)	-	1334
Mandew M, Dr	Qwa-Qwa Campus Principal (From 1 August 2018)	1870	567
Kroukamp HJ, Prof	Dean: Economic and Management Sciences Vice-Rector: Academic (acting from 1 February 2018 to 31 December 2018)	1793	2 115
Van Zyl GJ, Prof *	Dean: Health Sciences	1142	1 071
Hudson H, Prof	Dean: Humanities (acting from 1 October 2017 and appointed 1 March 2018)	1 810	1609
Muganbizi JC, Prof	Dean: Law (from 1 February 2018)	1 6 6 1	1382
Vermeulen PD, Prof	Dean: Natural and Agricultural Sciences	1846	1654
Jita LC, Prof	Dean: Education	2 080	1 979
Snyman SD, Prof	Dean: Theology (to 31 December 2018)	-	1352
Letsosa R.Prof	Dean: Theology (from 1 January 2019)	1 6 9 1	-
Total remuneration of Executive Managemen	t	32 967	35 561

^{*} also appointed on the joint staff establishment of the Free State Department of Health. (Remuneration excluded)



NOTES TO THE CONSOLIDATED AND STAND ALONE FINANCIAL STATEMENTS for the year ended 31 December 2019

			2019 R'000	2018 R'000
Remuneration of executiv	e management relating to the group in addition to	that of management of the University disclosed above.		
Name	Designation	Related entity		
Taylor G, Dr	Director	Farmovs (Pty) Ltd	-	-
Sutherland C, Mr	Managing Director	Farmovs (Pty) Ltd	1741	1528
Brand S, Miss	Chief financial officer	Farmovs (Pty) Ltd	687	572
Theron, HB, Mr	Head of Business Administration	Farmovs (Pty) Ltd	1283	1 151
Smith J, Mr	Head Sales, General & Administration	Farmovs (Pty) Ltd	1237	1024
Middle, MV, Dr	Chief Medical Officer	Farmovs (Pty) Ltd	1986	959
Els J, Mr	Head of Legal, Contracts, GMBA	Farmovs (Pty) Ltd	761	-
Mr. R. Rauch	Farm manager	Lila Theron Farm	159	138

One lump sum payment in excess of R0.250m was made during 2019 to an executive staff member of the University. This related to accumulated leave upon retirement and is included in the remuneration disclosed in the note above. During 2018 two lump sum payment were made to two executive staff members relating to restructuring and accumulated leave payout and is included in the remuneration disclosed in the note above.

	2019 R '000	
Snyman SD, Prof	713	-
Vinger MJ, Dr	-	2 895
Lazenby K, Dr	-	1693

The following table represents the disclosure required in terms of IAS 24 in respect of key management:

	Gro	Group		ersity
	2019 R ' 000	2018 R ' 000	2019 R ' 000	2018 R ' 000
ion of key management				
penefits	36 657	37 733	29 304	32 650
ion and medical benefits	4 164	3 201	3 663	2 911
to key management personnel	40 822	40 934	32 967	35 561

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

Payments for attendance at meetings of the Council and its Committees or any directors meetings

Remuneration to council and committee members were only implemented late 2019. No directors of any subsidiaries receive remuneration for attendance of directors meetings.

	2019 R ' 000	2018 R ' 000	2019 R ' 000	2018 R ' 000
bers of Council and committees				
nent of expenses	381	350	381	350



NOTES TO THE CONSOLIDATED AND STAND ALONE FINANCIAL STATEMENTS for the year ended 31 December 2019

13. Other operating expenses by nature

Accounting policy:

Expenses are recognised as expenses are incurred. Services are thus recognised when satisfactorily performed and expenses relating to products when the product was delivered and the rights relating to ownership was transferred.

	Gro
	2019 R ' 000
The following items are included:	
Supplies and services	783 076
Cost of maintenance services	102 325
Cost of small alterations	12 545
Research and development expenditure	145 608
Bursaries	141 331
Auditor's remuneration	3 928
- Audit fee	2 126
- Other special investigations and special reports	1802
Total other operating expenses	1 188 813

Group		Universit	у
2019 R ' 000	2018 R ' 000	2019 R ' 000	2018 R ' 000
783 076	719 946	760 395	694 304
102 325	85 590	97 583	78 659
12 545	4 366	12 545	4 366
145 608	141 958	145 608	141 958
141 331	144 096	141 331	144 048
3 928	3 343	3 373	2 543
2 126	1 971	1695	1 571
1802	1 372	1 678	972
1 188 813	1 099 300	1160 835	1 065 878

14. Interest and dividends

Accounting policy:

Interest income:

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

Interest income from financial assets at fair value through profit or loss (FVPL) is included in the net fair value gains/ (losses) on these assets, see note 17.4 below. Interest income on financial assets at amortised cost (held-to-maturity investments and loans and receivables) calculated using the effective interest method is recognised in the statement of profit or loss as part of other income.

Dividend income:

Dividends are received from financial assets measured at FVPL . Dividends are recognised as other income in profit or loss when the right to receive payment is established.

Interest income
Dividend income
Total interest and dividend income

Group		University	
2019 R ' 000	2018 Rʻ000	2019 R ' 000	2018 R ' 000
202 342	179 475	202 332	176 750
62 974	66 357	62 725	66 125
265 315	245 832	265 058	242 875

Refer to note 24.4 for detail on interest income and dividend income from related parties.



NOTES TO THE CONSOLIDATED AND STAND ALONE FINANCIAL STATEMENTS for the year ended 31 December 2019

15. Administration cost of financial assets

Accounting policy:

Expenses relating to the administration cost of financial assets are recognised as expenses when the related services were performed.

Investment management fees

Total administration cost financial assets

Group		University	
2019 R ' 000	2018 R ' 000	2019 R ' 000	2018 R ' 000
15 971	15 264	15 921	15 215
15 971	15 264	15 921	15 215

16. Income Tax

Accounting policy:

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the group and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.



NOTES TO THE CONSOLIDATED AND STAND ALONE FINANCIAL STATEMENTS for the year ended 31 December 2019

Area of significant management judgement and estimation

Judgement is required in determining the provision for income taxes due to the complexity of legislation. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The group recognises liabilities for anticipated tax audit issues based on estimates of whether

additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. The company recognises the net future tax benefit related to deferred income tax assets to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future. Assessing the recoverability of deferred income tax assets requires the company to make significant estimates related to expectations of future taxable income. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the company to realise the net deferred tax assets recorded at the end of the reporting period could be impacted.

No provision for normal South African income tax was made for the University, as the University is exempt in terms of section 10(1)(cA)(i) of the South African Income Tax Act. All income taxes disclosed below relate to Farmovs Pty Ltd, a wholly owned subsidiary of the University.

Income tax expense	Group	p
Major components:	2019	2018
	R ' 000	R ' 000
Current		
Local income tax	-	-
Deferred		
Deferred tax	(13 025)	(1687)
Under/(Over) provision of prior period tax	(8 594)	
Total income tax expense / (income)	(13 025	(10 280)
Reconciliation of tax expense		
Reconciliation between applicable tax rate and average effective tax rate.		
Statutory rate	28,00%	28,00%
Effective tax rate	30,69%	-34,31%

The differences between the statutory and effective tax rate relates to the overprovision of prior period income tax, fixed asset adjustment and other minor differences.



NOTES TO THE CONSOLIDATED AND STAND ALONE FINANCIAL STATEMENTS for the year ended 31 December 2019

17. Financial assets and financial liabilities

This note provides information about the group's financial instruments, including:

- an overview of all financial instruments held by the group
- specific information about each type of financial instrument
- accounting policies
- information about determining the fair value of the instruments, including judgements and estimation uncertainty involved.

The group holds the following financial instruments

		Group		University	
	Notes	2019 R ' 000	2018 R ' 000	2019 R ' 000	2018 R ' 000
Financial assets					
Financial assets at amortised cost					
Student and trade receivables	17.1	268 023	223 086	242 836	204 949
Student and other loans	17.2	2 636	1 674	39 630	3 588
Cash and cash equivalents	17.3	448 853	152 129	441 233	135 956
Financial assets at fair value through profit or loss (FVPL)	17.4	5 773 090	5 275 722	5 751 821	5 256 633
Financial liabilities					
Liabilities at amortised cost					
Trade and other payables **	17.5	455 025	341 882	431 503	327 548
Borrowings	17.6	185 769	191 998	185 769	191 998

^{**} Excluding non-financial liabilities

The group's exposure to various risks associated with the financial instruments is discussed in note 22. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of financial assets mentioned above.

Accounting policy:

Classification

From 1 January 2018, the group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in profit or loss.

The group reclassifies debt investments when and only when its business model for managing those assets changes. (Also refer to note 21.3)

Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the group has transferred substantially all the risks and rewards of ownership.

Measurement

At initial recognition, the group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.



NOTES TO THE CONSOLIDATED AND STAND ALONE FINANCIAL STATEMENTS for the year ended 31 December 2019

Equity instruments

The group subsequently measures all equity investments at fair value. Dividends from such investments continue to be recognised in profit or loss as other income when the group's right to receive payments is established. Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses) in the statement of profit or loss as applicable.

Impairment

From 1 January 2018, the group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables, see note 22.2.2 for further details.

Subsequent measurement

The measurement at initial recognition did not change on adoption of IFRS 9, see description above.

Subsequent to the initial recognition, loans and receivables and held-to-maturity investments were carried at amortised cost using the effective interest method

Available-for-sale financial assets and financial assets at FVPL were subsequently carried at fair value. Gains or losses arising from changes in the fair value were recognised as follows:

- for financial assets at FVPL in profit or loss within other gains/(losses)
- for available-for-sale financial assets that are monetary securities denominated in a foreign currency translation differences related to changes in the amortised cost of the security were recognised in profit or loss and other changes in the carrying amount were recognised in other comprehensive income
- for other monetary and non-monetary securities classified as available-for-sale in other comprehensive income.

Details on how the fair value of financial instruments is determined are disclosed in note 19.

When securities classified as available-for-sale were sold, the accumulated fair value adjustments recognised in other comprehensive income were reclassified to profit or loss as gains and losses from investment securities.

Impairment

The group assessed at the end of each reporting period whether there was objective evidence that a financial asset or group of financial assets was impaired. A financial asset or a group of financial assets was impaired and impairment losses were incurred only if there was objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) had an impact on the estimated future cash flows of the financial asset or group of financial assets that could be reliably estimated. In the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost was considered an indicator that the assets are impaired.

Assets carried at amortised cost

For loans and receivables, the amount of the loss was measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that had not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset was reduced and the amount of the loss was recognised in profit or loss. If a loan or held-to-maturity investment had a variable interest rate, the discount rate for measuring any impairment loss was the current effective interest rate determined under the contract. As a practical expedient, the group could measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreased and the decrease could be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss was recognised in profit or loss.

Impairment testing of trade receivables is described in note 19.

Assets classified as available-for-sale

If there was objective evidence of impairment for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – was removed from equity and recognised in profit or loss.

Impairment losses on equity instruments that were recognised in profit or loss were not reversed through profit or loss in a subsequent period.

If the fair value of a debt instrument classified as available-for-sale increased in a subsequent period and the increase could be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss was reversed through profit or loss.



NOTES TO THE CONSOLIDATED AND STAND ALONE FINANCIAL STATEMENTS for the year ended 31 December 2019

17.1 Trade and other receivables

Accounting policy:

Classification as trade receivables

Trade receivables are amounts due from customers or students for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 30 days and therefore are all classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The group holds the trade receivables with the objective to collect the contractual cash flows, and the cash flows represent solely payments of principal and interest. They therefore measures them subsequently at amortised cost using the effective interest method. Details about the group's impairment policies and the calculation of the loss allowance are provided in note 22.2.2.1.

Area of significant management judgement and estimation

The group assesses its trade receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in profit or loss, the company makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from the financial asset. Details about the group's impairment policies and the calculation of the loss allowance are provided in note 22.2.2.1.

		Group		University	
	Notes	2019 R ' 000	2018 R ' 000	2019 R ' 000	2018 R ' 000
Student debtors					
Gross student debtors		216 332	175 252	216 332	175 252
Less: Allowance for credit losses	22.2.2.1	(80 041)	(64 526)	(80 041)	(64 526)
Closing net carrying amount		136 290	110 725	136 290	110 725
Pre-paid expenses		3 964	9 534	3 407	9 534
Current tax receivable		10 908	10 381	-	-
Other trade receivables		84 957	76 223	71 061	67 852
Accrued interest on investments	_	31 904	16 224	32 077	16 838
Closing net carrying amount	_	131 733	112 361	106 545	94 224
Total trade and other receivables	- 1	268 023	223 086	242 836	204 949

Fair values of trade and other receivables

Due to the short-term nature of the trade and other receivables, their carrying amount is considered to be the same as their fair value. Also refer to note 19 for further disclosures relating to fair values.

Impairment and risk exposure

Information about the impairment of trade and other receivables and the group's exposure to credit risk, foreign currency risk and interest rate risk can be found in note 22.

The group does not hold any collateral as security.

Prepaid expenses

Prepaid expenses comprise that portion of expenses that is paid in the current year, but which only is applicable to the next financial year. Prepaid expenses normally do materialise and credit losses are therefore deemed minimal.

Other trade receivables

Other trade receivables consist of amounts owed by a number of reputable institutions, resulting from various grants / contracts or in accordance with other agreements.

Carrying amount of other trade receivables approximate their fair values.



NOTES TO THE CONSOLIDATED AND STAND ALONE FINANCIAL STATEMENTS for the year ended 31 December 2019

Accrued interest on investments

Accrued interest is amounts due to the group by their investment portfolio manager on investments within the group's portfolio. Based on the history of no defaults, there is no expectation of defaults, also due to the fact that the portfolios are managed by well established and recognised institutions. A multi-manager approach further mitigates the exposure to credit risk.

17.2 Student and other loans

Accounting policy:

Loans to students are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are initially measured at fair value plus transaction costs. Subsequently, items included in this category are measured at the amortised cost, calculated based on the effective interest method, and interest income is included in profit/ loss for the period. The group holds these receivables with the objective to collect the contractual cash flows, and the cash flows represent solely payments of principal and interest. Net gains or losses represent reversals of impairment losses, impairment losses and gains, and losses on derecognition. Net gains or losses are included in other income or other expenses. Short-term receivables with no stated interest rates are measured at the original invoice amount if the effect of discounting is immaterial.

Area of significant management judgement and estimation

The group assesses its student loans for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in profit or loss, the company makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from the financial asset. Details about the group's impairment policies and the calculation of the loss allowance are provided in note 22.2.2.2

Financial assets at amortised cost include the following debt investments:

		Group		University	
	Notes	2019	2018	2019	2018
		R ' 000	R'000	R ' 000	R ' 000
Student loans		28 792	28 945	28 792	28 945
Less: Allowance for credit losses	22.2.2.2	(27 142)	(27 271)	(27 142)	(27 271)
Student loans - net		1650	1 674	1650	1 674
Loans to third parties		986	-	986	-
Loans to related parties	24.4		-	36 994	1 914
		2 636	1 674	39 630	3 588

Student loans

All non-current student loans are due within 5 years from the relevant year-end. The interest rate is prime less 1 %. None of these loans were re-negotiated and no collateral were taken on any of these loans. Loans to students become repayable on completion of their studies. All loans are dominated in South African Rand.

The classification of these loans are represented as follows:

Student loans for students still studying - not yet repayable	
Student loans for students who completed their studies - repayable	

35	1604	35	1604
28 757	27 340	28 757	27 340
28 792	28 945	28 792	28 945



NOTES TO THE CONSOLIDATED AND STAND ALONE FINANCIAL STATEMENTS for the year ended 31 December 2019

Fair values of other financial assets at amortised cost

The fair values of student loans:

Student loans	26 175	26 254	26 175	26 254
	26 175	26 254	26 175	26 254

The fair value of the student loans are based on the cash flows discounted using a rate based on the prime rate of 10.00% (2018: 10.25%). They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk (See note 22.2.2.2)

Due to the short-term nature of the other loans receivables, their carrying amount is considered to be the same as their fair value.

Further information relating to loans to related parties is disclosed in note 24.4

Impairment and risk exposure

Note 22 sets out information about the impairment of financial assets and the group's exposure to credit risk.

The maximum exposure to credit risk at the reporting date is the fair value of each of the receivables mentioned above.

17.3 Cash and cash equivalents

Accounting policy:

Classification as cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

Group		roup University	
2019 R ' 000	2018 R ' 000	2019 R ' 000	2018 R ' 000
448 853	152 129	441 233	135 956

Additional information relating to cash and cash equivalents of the University

Included in the cash balances above, are utilized overdraft accounts for the University of R0m (2018: R1,700m). This related to an overdraft account, at the same bank, that is managed on the agreement that interest would only be levied if the overdraft exceeds the positive account balance.

The weighted average effective interest rate on short-term bank deposits was 5.26% (2018: 5,21%). Cash and bank balances are encumbered by guarantees of R3,5 million provided to Centlec.

Reconciliation to cash flow statement

The above figures reconcile to the amount of cash shown in the statement of cash flows at the end of the financial year. Also refer to note 20 for further detail regarding cash flows of the group.

Risk exposure and fair value measurements

Information relating to risk exposure and fair value measurement can be found in note 22.

The fair value of cash and cash equivalents approximate their carrying amounts.

The group places cash and cash equivalents with reputable financial institutions, mostly banking institutions, to limit credit risk. The maximum exposure to credit risk at the reporting date is the carrying value of the cash and cash equivalents.



NOTES TO THE CONSOLIDATED AND STAND ALONE FINANCIAL STATEMENTS for the year ended 31 December 2019

17.4 Financial assets at fair value through profit or loss

Accounting policy:

Classification of financial assets as available-for-sale

The group classifies the following financial assets at fair value through profit or loss (FVPL):

- debt investments that do not qualify for measurement at either amortised cost,
- equity investments that are held for trading, and
- · equity investments for which the entity has not elected to recognise fair value gains and losses through OCI.

The financial assets were presented as non-current assets unless they matured, or management intended to dispose of them within 12 months of the end of the reporting period.

	Group		University	
	2019 R ' 000	2018 R ' 000	2019 R ' 000	2018 R ' 000
Opening net carrying amount	5 275 722	4 866 525	5 256 633	4 847 330
Additions	3 742 949	4 321 078	3 741 776	4 320 481
Disposals	(3 480 068)	(3 717 991)	(3 480 068)	(3 717 991)
Fair value movements through profit and loss.	234 486	(193 891)	233 480	(193 188)
Closing net carrying amount	5 773 090	5 275 722	5 751 821	5 256 633

Investments comprise marketable securities and cash funds within an investment portfolio, managed by independent fund managers as per approved mandates, that are revalued annually at the close of business on 31 December with reference to Stock Exchange quoted prices.

Non-current financial assets at fair value through profit and loss				
Opening net carrying amount	4 095 244	4 050 226	4 078 855	4 033 542
Additions	1 947 465	1 727 416	1 946 496	1727 007
Disposals	(1725 029)	(1493 997)	(1725 029)	(1 493 997)
Fair value movements through profit and loss	245 071	(188 400)	244 064	(187 697)
Closing net carrying amount	4 562 752	4 095 244	4 544 387	4 078 855
Current financial assets at fair value through profit and loss				
Opening net carrying amount	1180 478	816 299	1 177 778	813 788
Additions	1795 484	2 593 662	1795 280	2 593 474
Disposals	(1755 039)	(2 223 993)	(1755 039)	(2 223 993)
Fair value movements through profit and loss	(10 585)	(5 491)	(10 585)	(5 491)
Closing net carrying amount	1 210 338	1 180 478	1 207 434	1 177 778

Investments to the value of R146 million were provided as security for the FirstRand Bank loan (Note 17.6). These investments are managed within the portfolios of the Coronation and Allan Gray fund managers of the University.

Risk exposure and fair value measurements

Information about the group's exposure to price risk is provided in note 22. For information about the methods and assumptions used in determining fair value please refer to note 19 below.



NOTES TO THE CONSOLIDATED AND STAND ALONE FINANCIAL STATEMENTS for the year ended 31 December 2019

17.5 Trade and other payables

Accounting policy:

Trade and other receivables:

These amounts represent liabilities for goods and services provided to the group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

Provisions:

Provision is recognised when the Group has a current statutory or constructive obligation as a result of a past binding occurrence which probably will lead to an outflow of resources in the form of economic benefits to meet the obligation and when a reasonable estimate of the amount of the obligation can be made. Provisions are measured at the present value of the expected future expenditure to meet the obligation, discounted at a pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Provisions are not recognised for future operating losses.

Trade payables	
Finance lease liabilities	
Other payables and provisions	
Student deposits	
Tuition fees creditors	
Agency funds *	
Total trade and other payables	

Group		University	
2019 R ' 000	2018 R ' 000	2019 R ' 000	2018 R ' 000
179 013	159 229	167 703	145 556
378	537	-	-
99 227	96 886	87 393	96 762
7 605	5 502	7 605	5 502
72 224	60 383	72 224	60 383
123 848	47 590	123 848	47 590
482 295	370 127	458 773	355 793

Trade payables are unsecured and are usually paid within 30 days of recognition. The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature. Trade and other payables are denominated in South African Rand.

Trade payables classified as non-financial liabilities included above

^{*} Agency funds represent funds that the group manage on behalf of a third party. The balance of transactions is repayable to the third parties after transactions are finalised. E.g. Bursaries managed on the behalf of third parties.



NOTES TO THE CONSOLIDATED AND STAND ALONE FINANCIAL STATEMENTS for the year ended 31 December 2019

17.6 Borrowings

Accounting policy:

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

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

	Group		University	
Non-current portion of borrowings	2019 R ' 000	2018 Rʻ000	2019 R ' 000	2018 R ' 000
Development Bank of South Africa FirstRand Bank	65 119 120 649	72 731 119 267	65 119 120 649	72 731 119 267
Current portion of long term borrowings Current portion	 -	-	-	-
	185 769	191 998	185 769	

The borrowings are from FirstRand Bank, the Development Bank of South Africa and are all denominated in South African Rand.

A loan of R64,5 million was entered into on 17 December 2015 with the Development Bank of South Africa. The loan matures in 2035 and bears interest at a fixed rate of 12.04% p.a.

A total borrowing facility of R230 million was secured with FirstRand Bank. The loan matures in 2033 and bears interest at a fixed rate of 10.13% p.a.

Maturity of borrowings	2019 R ' 000	2018 R ' 000
Within 1 year	18 551	17 257
Between 2 and 3 years	41 381	38 494
Between 4 and 5 years	47 820	44 484
Between 6 and 7 years	55 263	51 407
After 7 years	223 445	309 344

Assets pledged as security

Borrowings from Firstrand Bank is secured by investments as disclosed in note 17.4. Other borrowings are unsecured.

Risk exposure and fair value measurements

Details of the group's exposure to risks arising from current and non-current borrowings are set out in note 22. For information about the methods and assumptions used in determining fair value please refer to note 19 below.



NOTES TO THE CONSOLIDATED AND STAND ALONE FINANCIAL STATEMENTS for the year ended 31 December 2019

18. Non-financial assets and liabilities

This note provides information about the group's non-financial assets and liabilities, including specific information about each type of non-financial asset and non-financial liabilities. Detailed notes are provided on:

- property, plant and equipment (note 18.1)
- investment properties (note 18.2)
- intangible assets (note 18.3)
- inventories (note 18.4)
- biological assets (note 18.5)
- employee benefit obligations (note 18.6)
- deferred income (note 18.7)
- deferred tax balances (note 18.8)

Accounting policy:

Individual accounting policies of non-financial assets and liabilities is disclosed under each separate sub-note of note 18. However the accounting policy relating to impairment of non-financial assets is disclosed below as this is consistent for all non-financial asset classes.

Impairment of non-financial assets

Assets that have an indefinite useful life, for example goodwill, are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are recognised at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non- financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.



NOTES TO THE CONSOLIDATED AND STAND ALONE FINANCIAL STATEMENTS for the year ended 31 December 2019

18.1 Property, plant and equipment

Accounting policy:

Land and buildings mainly consist of lecture halls, laboratories, hostels and administrative buildings. All property (including investment properties - note 18.2), plant and equipment are recorded at historical cost less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Property, plant and equipment acquired by means of donations are recorded at fair value at the date of the donation through profit and loss.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Equipment are recognised at cost, excluding donations of books and equipment, which are recognised at fair market values on the date of donation. All equipment is subsequently measured at cost less accumulated depreciation and books are expensed in the year of acquisition. Land is not depreciated as it is deemed to have an indefinite useful life. Other assets are depreciated by using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

The depreciation methods and periods used by the group are disclosed in the note below.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. When the estimated useful life of an asset differs from previous estimates, the change is applied prospectively in the determination of the depreciation charge.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss. When revalued assets are sold, it is group policy to transfer any amounts included in other reserves in respect of those assets to retained earnings. When assets are leased out under an operating lease, the asset is included in the balance sheet based on the nature of the asset.

Area of significant management judgement and estimation

The group uses its judgement in determining the residual value of assets as well as the useful lives of each category of assets.



NOTES TO THE CONSOLIDATED AND STAND ALONE FINANCIAL STATEMENTS for the year ended 31 December 2019

		Group				
2019	Land and buildings	Vehicles	Computer equipment	Furniture and equipment	Other **	Total
Non-current	R ' 000	R ' 000	R'000	R'000	R ' 000	R ' 000
At 1 January 2019						
Cost	1 320 194	31 836	315 277	463 305	27 332	2 157 944
Accumulated depreciation	(383 162)	(15 725)	(145 415)	(280 365)	(15 741)	(840 409)
Net carrying amount	937 032	16 111	169 862	182 939	11 590	1 317 535
Year ended 31 December 2019						
Additions	120 113	2 461	51 057	111 337	(746)	284 222
Buildings under construction	(29 087)	-	-	-	-	(29 087)
Disposals	-	(58)	(1403)	(1573)	(10)	(3 045)
Depreciation charge	(47)	(1904)	(32 969)	(31 644)	(3 265)	(69 830)
At 31 December 2019						
Cost	1 411 220	33 258	353 585	531 109	26 572	2 355 744
Accumulated depreciation	(383 209)	(16 649)	(167 038)	(270 049)	(19 003)	(855 947)
Net carrying amount	1 028 011	16 609	186 547	261 060	7 570	1 499 796

Government grants to the amount of R 391.229m were applied against the cost of the relevant asset when the asset was procured or constructed, in accordance with IAS 20.

^{*} The reclassification relates to the property of the University which is occupied by its wholly owned subsidiary Farmovs (Pty) Ltd.

^{**} Other assets include software cost, art collections and library books



NOTES TO THE CONSOLIDATED AND STAND ALONE FINANCIAL STATEMENTS for the year ended 31 December 2019

		University				
2019	Land and buildings	Vehicles	Computer equipment	Furniture and equipment	Other	Total
Non-current	R ' 000	R ' 000	R'000	R ' 000	R ' 000	R'000
At 1 January 2019						
Cost	1 296 277	31 280	262 506	462 589	24 620	2 077 272
Accumulated depreciation	(374 026)	(15 638)	(136 949)	(280 019)	(15 510)	(822 143)
Net carrying amount	922 251	15 643	125 557	182 570	9 109	1 255 129
Year ended 31 December 2019						
Additions	120 014	2 461	49 539	106 879	(1208)	277 686
Buildings under construction	(29 087)	-	-	-	-	(29 087)
Disposals	-	(58)	(1403)	(1573)	(10)	(3 045)
Depreciation charge		(1792)	(23 528)	(31 557)	(2 216)	(59 093)
At 31 December 2019						
Cost	1387204	32 702	299 296	525 935	23 398	2 268 536
Accumulated depreciation	(374 026)	(16 449)	(149 131)	(269 616)	(17 723)	(826 945)
Net carrying amount	1 013 178	16 254	150 165	256 319	5 675	1 441 591



NOTES TO THE CONSOLIDATED AND STAND ALONE FINANCIAL STATEMENTS for the year ended 31 December 2019

		Group				
2018	Land and buildings	Vehicles	Computer equipment	Furniture and equipment	Other	Total
Non-current	R ' 000	R'000	R'000	R'000	R ' 000	R'000
At 1 January 2018						
Cost	1 177 958	26 314	230 398	460 144	22 134	1 916 948
Accumulated depreciation	(325 200)	(14 502)	(122 357)	(276 645)	(13 153)	(751 857)
Opening net carrying amount	852 759	11 811	108 042	183 499	8 981	1165 092
Year ended 31 December 2018						
Additions	60 544	6 161	44 729	45 786	4 603	161 822
Additions relating to business combinations	-	556	45 374	244	744	46 919
Reclassification of owner occupied investment property to property, plant and equipment *	13 186	-	-	-	-	13 186
Buildings under construction	58 951	-	-	-	-	58 951
Disposals	-	(632)	(948)	(1372)	(2)	(2 954)
Depreciation charge	(48 860)	(1785)	(27 335)	(45 218)	(2 736)	(125 934)
At 31 December 2018						
Cost	1 320 194	31 836	315 277	463 305	27 332	2 157 944
Accumulated depreciation	(383 162)	(15 725)	(145 415)	(280 365)	(15 741)	(840 409)
Net carrying amount	937 032	16 111	169 862	182 939	11 590	1 317 535

^{*} The reclassification relates to the property of the University which is occupied by its wholly owned subsidiary Farmovs (Pty)

Government grants to the amount of R 391.268m were applied against the cost of the relevant asset when the asset was procured or constructed, in accordance with IAS 20.



NOTES TO THE CONSOLIDATED AND STAND ALONE FINANCIAL STATEMENTS for the year ended 31 December 2019

		University				
2018	Land and buildings	Vehicles	Computer equipment	Furniture and equipment	Other	Total
Non-current	R ' 000	R ' 000	R'000	R'000	R ' 000	R ' 000
At 1 January 2018						
Cost	1 177 244	26 314	230 376	459 814	22 134	1 915 882
Accumulated depreciation	(325 176)	(14 502)	(122 347)	(276 546)	(13 153)	(751724)
Opening net carrying amount	852 068	11 811	108 030	183 268	8 981	1 164 158
Year ended 31 December 2018						
Additions	60 082	6 161	37 354	45 645	2 635	151 877
Buildings under construction	58 951	-	-	-	-	58 951
Disposals	-	(632)	(948)	(1372)	(2)	(2 954)
Depreciation charge	(48 850)	(1697)	(18 880)	(44 971)	(2 505)	(116 903)
At 31 December 2018						
Cost	1 296 277	31 280	262 506	462 589	24 620	2 077 272
Accumulated depreciation	(374 026)	(15 638)	(136 949)	(280 019)	(15 510)	(822 143)
Net carrying amount	922 251	15 643	125 557	182 570	9 109	1 255 129

No property, plant and equipment were pledged as security.

Revaluation, depreciation methods and useful lives

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives or, in the case of leasehold improvements, the shorter lease term as follows:

- Buildings 10 50 years
- Air conditioners 10 20 years
- Vehicles 5 8 years
- Furniture and equipment 5 20 years
- Computer equipment 3 10 years
- Lifts 10 20 years
- Museum and art collections are written off in the year of acquisition.
- Library books are expensed in the year of acquisition



NOTES TO THE CONSOLIDATED AND STAND ALONE FINANCIAL STATEMENTS for the year ended 31 December 2019

18.2 Investment property

Accounting policy:

Investment property is held to earn income and appreciate in capital value. Excluded are properties used by the Group, as well as those being constructed or developed for future use by the Group.

Investment properties are initially recognised at fair value and subsequently treated as non-current assets. It is then carried at cost less accumulated depreciation. Investment properties are depreciated by using the straight-line method to allocate their cost to their residual values over their estimated useful lives, which is estimated at 50 years.

Gains and losses on disposal of investment property are determined by comparing the proceeds with the carrying amount and are recognised in the statement of comprehensive income.

Area of significant management judgement and estimation

The group uses its judgement in determining the residual value of assets as well as the useful lives of each category of assets. The group also uses it judgement to determine the valuation techniques, which is the discounted cash flow approach as well as the assumptions used to determine the fair value of the property for disclosure purposes.

Discount rate of 11% was used for Farmovs Parexel (Pty) Ltd as all expenses are paid by the tenant. A discount rate of 5% was used for the Thakaneng Bridge due to all expenses associated with the property being paid by the landlord and the fact that turnover is only applicable for 10 months of the year.

	Group		University	
	2019	2018	2019	2018
Non-current assets	R ' 000	R ' 000	R'000	R'000
Cost at the beginning of the year	30 002	52 743	52 743	52 743
Accumulated depreciation beginning of the year	(9 615)	(18 116)	(19 171)	(18 116)
Opening net carrying amount	20 387	34 627	33 572	34 627
Reclassification of owner occupied investment property to property, plant and equipment ${}^{\star}\!$	-	(13 638)	-	-
Depreciation charge	(780)	(602)	(6 038)	(1055)
Cost at the end of the year	30 002	0 002	52 743	52 743
Accumulated depreciation end of the year	(10 396)	(9 615)	(25 209)	(19 171)
Closing net carrying amount	19 606	20 387	27 534	33 572
Amounts recognised in profit or loss for investment properties				
Rent received on investment property	5 309	5 004	12 262	12 669
Direct operating expenses relating to Thakaneng Bridge	-	-	3 925	3 529

• The reclassification relate to the property of the University which is occupied by its wholly owned subsidiary Farmovs (Pty) Ltd.

Investment property consists mainly of the Thakaneng Bridge on campus, where various shops are let to small businesses, as well as buildings let to a subsidiary of the University, Farmovs (Pty) Ltd.

Fair value

Fair value of investment property 96 919 160 652 159 789 160 65

Useful live

Property is depreciated over a 50 years economic useful life.



NOTES TO THE CONSOLIDATED AND STAND ALONE FINANCIAL STATEMENTS for the year ended 31 December 2019

Leasing arrangements

Some of the investment properties are leased to tenants under long-term operating leases with rentals payable monthly. Minimum lease payments receivable on leases of investment properties are as follows:

Operating lease receivable commitments	Group		Group University	
	2019	2018	2019	2018
The future minimum lease receivables under non-cancellable operating leases are as follows:	R ' 000	R ' 000	R ' 000	R ' 000
Not later than 1 year	10 721	6 268	10 721	14 334
Later than 1 year and not later than 5 years	5 367	7 622	5 367	13 743
Later than 5 years	447	22	447	22
Total future cash flows	16 535	13 912	16 535	28 099
Lease income already accrued due to straight lining of leases	(1368)	(830)	(1389)	(2036)
Future receivables	15 167	13 083	15 146	26 063

Also refer to note 24.4 for disclosure of related party transactions.

18.3 Intangible assets

Accounting policy:

Trademarks, licences, and customer contracts

Separately acquired trademarks and licences are shown at historical cost. Trademarks, licenses and customer contracts acquired in a business combination are recognised at fair value at the acquisition date. They have a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses

Software

Costs associated with maintaining software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the group are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use
- management intends to complete the software and use or sell it
- there is an ability to use or sell the software
- it can be demonstrated how the software will generate probable future economic benefits
- adequate technical, financial and other resources to complete the development and to use or sell the software are available, and
- the expenditure attributable to the software during its development can be reliably measured.
- Directly attributable costs that are capitalised as part of the software include employee costs and an appropriate portion of relevant

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use.

Research and development

Research expenditure and development expenditure that do not meet the criteria under software above are recognised as an expense

Research and development expenditure relating to patents is recognised as an expense except that costs incurred on development projects are recognised as development assets (intangible assets) to the extent that such expenditure is expected to have future economic benefits. However, development costs initially recognised as an expense are not recognised as an asset in a subsequent period. Development costs that have been capitalised are amortised from the registration on a straight-line basis over the period of their expected benefit.

Amortisation methods and periods

Refer to note below for details about amortisation methods and periods used by the group for intangible assets.

Derecognition

An intangible asset shall be derecognised: on disposal; or when no future economic benefits are expected from its use or disposal. Gains and losses on disposal of intangible assets are determined by comparing the proceeds with the carrying amount and are recognised in the statement of comprehensive income.



NOTES TO THE CONSOLIDATED AND STAND ALONE FINANCIAL STATEMENTS for the year ended 31 December 2019

Area of significant management judgement and estimation

The group uses its judgement in determining the residual value of assets as well as the useful lives of each category of assets. The actual useful life may be shorter or longer than 20 years, depending on technical innovations and competitor actions.

	Group		Unive	rsity	
		Patents, trademark	ks and other rights		
	2019	2018	2019	2018	
Non-current	R ' 000	R ' 000	R ' 000	R ' 000	
At 1 January					
Cost	7 551	6 494	7 551	6 494	
Accumulated depreciation	(1528)	(1099)	(1528)	(1099)	
Opening net carrying amount	6 023	5 395	6 023	5 395	
Additions	387	1 057	387	1 057	
Disposals	(100)	-	-	-	
Depreciation charge	(445)	(429)	(445)	(429)	
At 31 December					
Cost	7 813	7 551	7 813	7 551	
Accumulated depreciation	(1947)	(1528)	(1947)	(1528)	
Net carrying amount	5 865	6 023	5 865	6 023	

Intangible assets for the University consist of self-developed patents by the University of the Free State.

Amortisation methods and useful lives

The group amortises intangible assets with a limited useful life using the straight-line method over the following periods:

- Patents 20 years



NOTES TO THE CONSOLIDATED AND STAND ALONE FINANCIAL STATEMENTS for the year ended 31 December 2019

Inventory

Accounting policy:

Inventories mainly comprise consumer goods and stationery. Inventories are stated at the lower of cost, on the basis of weighted average cost for all categories, or net realisable value. The carrying amounts of different classifications of inventory are disclosed. Costs of purchased inventory are determined after deducting rebates and discounts.

Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

Current assets
Inventories comprise the following items:
Sundry - mostly stationery, cleaning material, furniture and fuel
Food

Group		University	/
2019	2018	2019	2018
R ' 000	R ' 000	R ' 000	R ' 000
5 979	6 412	5 979	6 412
2 188	2 030	2 188	2 030
8 167	8 441	8 167	8 441

No stock shortages were identified in 2019. In 2018 R 0,081m were recognised as write-off of inventory shortages in the consolidated statement of comprehensive income.

18.5 Biological assets

Accounting policy:

Livestock is mainly held at experimental farms of the University and by a subsidiary, the Lila Theron Trust. They are assessed based on fair values less estimated point-of-sale costs at appropriate reporting dates. Gains and losses arising from changes in the fair values are recorded in net profit or loss for the period in which they arise. The determination of fair value is based on active markets, at auction of livestock of similar age, breed or genetic merits, with adjustments where necessary to reflect the differences. All the expenses incurred in establishing and maintaining the assets is recognised in the statement of comprehensive income. All costs incurred in acquiring biological assets are capitalised. Finance charges are not capitalised.

Current assets
Biological assets comprise the following: Opening net carrying amount
Livestock purchased
Livestock sold
Market value adjustment
Closing net

Group		University	
2019	2018	2019	2018
R ' 000	R ' 000	R ' 000	R ' 000
8 081	6 466	3 009	2 285
305	1849	9	713
(726)	(449)	-	-
(197)	216	-	10
7 463	8 081	3 018	3 009

Livestock is held on the experimental farms and the land held by the Lila Theron Trust. It consists of game, cattle and sheep. Fair values of livestock are based on market prices of similar livestock in the Free State region at year-end. Prices were provided by an independent auctioneer. Fair values are within level 3 of the fair value hierarchy. Refer to note 19 for further disclosures regarding fair values of biological assets.



NOTES TO THE CONSOLIDATED AND STAND ALONE FINANCIAL STATEMENTS for the year ended 31 December 2019

18.6 Employee benefits

Accounting policy:

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(ii) Other long-term employee benefit obligations

The group also has liabilities for long service leave and annual leave that are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. These obligations are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period of high-quality corporate bonds with terms and currencies that match, as closely as possible, the estimated future cash outflows. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

(iii) Post-employment obligations

The group operates various post-employment schemes, including both defined benefit and defined contribution pension plans and post-employment medical plans.

The schemes are generally funded through payments to trustee-administered funds, determined by periodic actuarial calculations. The University has both defined benefit and defined contribution plans. A defined contribution plan is a pension plan under which the University pays fixed contributions into a separate entity. The University has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. A defined benefit plan is a pension plan that is not a defined contribution plan.

Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

For defined contribution plans, the University pays contributions to trustee administered funds. The University has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.



NOTES TO THE CONSOLIDATED AND STAND ALONE FINANCIAL STATEMENTS for the year ended 31 December 2019

Pension obligations

The liability or asset recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation. In countries where there is no deep market in such bonds, the market rates on government bonds are used.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit or loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service costs. For defined contribution plans, the group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

		Group					
		2019			2018		
		Current Non-current Total		Current	Non-current	Total	
	Notes	R ' 000	R ' 000	R ' 000	R ' 000	R ' 000	R ' 000
Leave obligations	18.6.1	(16 838)	(154 616)	(171 454)	(15 030)	(152 240)	(167 270)
Defined pension benefits	18.6.2	-	95 641	95 641	-	141 563	141 563
Post-employment medical benefits	18.6.3	-	(491 175)	(491 175)	-	(521 987)	(521 987)
Post-employment group life insurance	18.6.4	-	(22 776)	(22 776)	-	(18 791)	(18 791)
Total employee benefit obligations		(16 838)	(572 926)	(589 764)	(15 030)	(551 455)	(566 485)

	Grou	p
Statement of Comprehensive Income charge for:	2019 R'000	2018 R'000
Pension benefits	314	(1392)
Post employment medical obligations	45 798	44 731
	46 112	43 339
Other Comprehensive Income gain / (loss) for:		
Pension benefits	(51 811)	6 797
Post employment medical obligations	76 610	18 605
	24 799	25 402

Only one subsidiary of the UFS, Farmovs (Pty) Ltd, contain employee benefits, whereby an accrual for leave to employees are raised. All other employee benefit obligations for the group relate to employees of the University and no additional obligations exist for any of the other group entities. Therefor only information relating to the University is disclosed in notes 18.6.2 to 18.6.3.



NOTES TO THE CONSOLIDATED AND STAND ALONE FINANCIAL STATEMENTS for the year ended 31 December 2019

18.6.1 Leave obligations

Opening net carrying amount
Leave payouts
Accrued
Closing net carrying amount
Current portion of leave obligations
Non-current portion of leave obligations

Group		University	/
2019 R ' 000	2018 R ' 000	2019 R ' 000	2018 R ' 000
167 270	160 957	165 741	160 957
(9 747)	(11638)	(9 747)	(11638)
13 931	17 951	13 572	16 422
171 454	167 270	169 566	165 741
(16 838)	(15 030)	(14 950)	(13 501)
(154 616)	(152 240)	(154 616)	(152 240)

The approved leave policy of the University prescribes that 21 working days be taken per leave cycle. The balance of the employee's annual leave may accumulate up to a maximum of 6 months.

A maximum of six months' leave gratuity is payable in respect of the vacation leave to a staff member's credit when he or she terminates his or her services as a result of death, retirement, medical unfitness or rationalisation. Leave gratuity is also payable to staff members who were employed prior to 1 January 2012 and who had accumulated leave days of more than six months up to a maximum of nine months vacation leave.

The leave accrual is based on valuations performed by management.	2019	2018
The principal actuarial assumptions used for accounting purposes were: Discount rate	5,10%	6,00%
Future salary increases, excluding merit promotions	6,10%	7,00%

18.6.2 Retirement benefit surplus/ (obligations)

	Universi	ty
	2019	2018
Develop have fits	R ' 000	R ' 000
Pension benefits		
The amounts recognised in the statement of financial position and the movements in the net defined benefit obligation over the year are as follows:		
Present value of obligation	1653504	1637 961
Fair value of plan assets	1805 524	1779 524
(Funded) / unfunded obligation according to actuarial valuation	(152 020)	(141 563)
Effect of write down to asset ceiling	56 379	-
Liability/(assets) in the statement of financial position	(95 641)	(141 563)
Change in defined benefit obligation		
Defined benefit obligation at beginning of year	1 637 961	1587520
Interest cost	154 920	144 157
Current service cost	13 198	9 901
Benefit payments	(143 971)	(131 205)
Employee contributions	3 284	3 523
Actuarial (gain)/loss	(11888)	24 065
Defined benefit obligation at end of year	1 653 504	1 637 961



NOTES TO THE CONSOLIDATED AND STAND ALONE FINANCIAL STATEMENTS for the year ended 31 December 2019

Change in defined benefit asset

	2019	2018
	R ' 000	R ' 000
Asset at fair value at beginning of year	1779 524	1 843 118
Employer contributions	6 203	6 659
Employee contributions	3 284	3 523
Interest income on defined benefit assets	167 804	167 565
Actual return earned in excess of interest income	(7320)	(110 136)
Benefit payments	(143 971)	(131 205)
Asset at fair value at end of year	1805 524	1779 524

The closing net DB asset is below the paragraph 65 limit, which has been determined as the sum of the employer surplus account (R94 364 000) and the present value of future refunds to the employer (R1 277 000). The employer surplus account was established in Rule Amendment 1 and contains all amounts allocated to the employer in terms of section 15C of the PFA. The present value of future refunds is determined as the difference between the required employer contributions on the 2019 IAS19 valuation basis and the required employer contributions on the last statutory valuation basis (both determined using the Attained Age method).

The amounts recognised in the statement of comprehensive income are as follows:

13 198	9 901
154 920	144 157
(167 804)	(167 565)
-	12 115
314	(1392)
56 379	(140 998)
7 320	110 136
(11 888)	24 065
51 811	(6 797)
2019	2018
9,30%	9,80%
5,10%	6,00%
6,10%	7,00%
5,10%	6,00%
3,06%	3,60%
3,02%	2,62%
4,00%	3,58%
	154 920 (167 804) - 314 56 379 7 320 (11 888) 51 811 2019 9,30% 5,10% 6,10% 5,10% 3,06% 3,06%

Pension benefit arrangements

Net discount rate - post-retirement (Cat C)

The Fund is a hybrid arrangement which includes in-service defined benefit and defined contribution members, defined contribution members with a defined benefit underpin and pensioners paid from the Fund. All new entrants join the defined contribution section of the Fund and the group of in-service defined benefit members is therefore a closed group.

6,05%

5,98%

The stated aim of the pension increase policy for category A and B pensioners paid from the Fund is to target pension increases between 75% and 100% of the increase in the Consumer Price Index on an annual basis (with pension increases being considered on 1 April of each year). The stated aim of the pension increase policy for category C pensioners paid from the Fund is to target pension increases equal to between 30% and 60% of the increase in the Consumer Price Index on an annual basis.

Full details of the benefits payable can be found in the rules of the Fund.



NOTES TO THE CONSOLIDATED AND STAND ALONE FINANCIAL STATEMENTS for the year ended 31 December 2019

Governance

The responsibility for the governance of the Fund rests with the Trustees of the Pension Fund and not with the University.

Regulatory framework

The Fund is subject to the Pension Funds Act ("the PFA"). In terms of the PFA an actuarial valuation of the Fund must be performed at least once every three years. The last such valuation was performed as at 31 December 2017. If the Fund was to be found to be in a deficit position (a financially unsound position), a special scheme designed to restore the solvency of the Fund within an acceptable period would have to be lodged with the Registrar of Pension Funds. Such a scheme, could in certain circumstances, impose minimum funding requirements on the University. The PFA also stipulates that no actuarial surplus can be used for the benefit of the employer unless such actuarial surplus, or a part thereof, has been transferred to an employer surplus account.

Funding arrangements

The employer contributions required for defined contribution members of the Fund are limited to the regular (known) contributions set out in the Rules of the Fund. The University is however responsible for funding the "balance of cost" of providing future defined benefits in respect of defined benefit members and the cost of the "underpin" in respect of Category C members. The University would also be required to make additional contributions to fund any shortfall arising in the assets backing defined benefit member liabilities and "underpin" member liabilities. It is the practice of the Fund Trustees to grant pensioner increases subject to the affordability thereof.

Apportionment of surplus arising after the Fund's surplus apportionment date

At the meeting of the Trustees of the Fund held on 18 June 2013, the Trustees resolved as follows:

- Former members, pensioners and defined contribution members and living annuitants will receive their equitable share of "surplus" in their respective pools. It is therefore only surplus arising in the defined benefit in-service member section which would need to be apportioned in terms of Section 15C of the PFA.
- Future surplus arising in the defined benefit in-service member section of the Fund will be determined and apportioned as follows:
 - Ensure solvency first this is in the interests of all stakeholders. This means that the full solvency reserve (on a conservative valuation basis) will be fully funded before any future surplus is declared; and
 - Allocate any future surplus to the employer surplus account.

It should be noted that, although the Trustees have agreed to allocate / fund any future surplus / deficit arising from experience of the defined benefit in-service member pool to the employer surplus account, we have not made any allowance for the allocation / funding as at 31 December 2019. The amount to be allocated / funded can only be determined at a statutory valuation date and must be allocated to the employer surplus account by the Trustees. Any (future surplus) amounts allocated to or funded from the employer surplus account will be reflected at subsequent IAS19 valuation dates.

Financial assumptions

The financial assumptions have been determined by Towers Watson (based on the principles set out in IAS19). These include:

Discount rate: In the valuation of the liability as at 31 December 2018, the discount rate (9.80% per annum) was determined with reference to the duration of the Fund's DB liability. The duration of the Fund's DB liability was in the order of 10 years. We have determined that the duration of the Fund's DB liability has reduced to the order of 9 years as at 31 December 2019. As such, the discount rate was set by determining the level of the South African zero coupon bond yield curve as at 31 December 2019 at a term of 9 years. The discount rate is 9.30% per annum at this term.



NOTES TO THE CONSOLIDATED AND STAND ALONE FINANCIAL STATEMENTS for the year ended 31 December 2019

• Long-term price inflation rate: We have assumed a long-term future inflation rate of 5.10% per annum. In setting this rate, we have applied a similar methodology to that used at the previous valuation date, that is:

Expected inflation = nominal bond yield less inflation-linked bond yield less inflation risk premium.

The applicable nominal bond yield has been determined in the same way as the nominal bond yield used in determining the discount rate, i.e. 9.30% per annum.

In order to determine the yield on inflation linked bonds (on the same basis as for nominal bonds) we have used the level of the South African zero coupon real yield bond curve as at 31 December 2019. The corresponding yield from this curve (at a term of 9 years) is 3.70% per annum at the valuation date.

Excluding an allowance for an inflation risk premium, implies an expected future inflation rate of 5.60% per annum (9.30% less 3.70% per annum). Our view is that based on market conditions at the valuation date, an inflation risk premium between 0.50% and 1.25% per annum is appropriate when determining the extent of the risk premium holders of nominal bonds currently require to compensate them for the risk that the value in their bonds may decline if inflation is higher than expected.

We have assumed an inflation risk premium of 0.50% for the purposes of this valuation. Based on the above, an expected inflation rate of 5.10% per annum has been assumed as at 31 December 2019 (i.e. 9.30% less 3.70% less 0.50%).

At the previous valuation date an inflation rate of 6.00% was assumed using a similar methodology as described above.

- Salary inflation: It has been assumed that inflationary salary increases will take place at a rate of 1.00% per annum in excess of price inflation, i.e. 6.10% per annum (7.00% used at the previous valuation date).
- Pension increases (active members): The Fund's pension increase policy (as it applies to current Fund pensioners and Category A and B members in retirement) is to target increases of between 75% and 100% of inflation, subject to the affordability thereof assessed with reference to a net discount rate of 4.5% per annum. We have therefore allowed for pension increases of 5.10% per annum. (being 100% of the assumed inflation rate of 5.10% per annum). The net discount rate applied to Category A and B members in retirement is thus 4.00% per annum (calculated as 1.0930 ÷ 1.051 1). A pension increase assumption of 6.00% per annum was used at 31 December 2018, implying a net post retirement discount rate of 3.58% per annum at that date.

The Fund's pension increase policy (as it applies Category C members in retirement) is to target increases of between 30% and 60% of inflation, subject to the affordability thereof assessed with reference to a net discount rate of 6.50% per annum. A pension increase assumption of 3.06% per annum (being 60% of the assumed inflation rate of 5.10% per annum) would lead to a net discount rate of 6.05% (calculated as $1.0930 \div 1.0306 - 1$). A pension increase assumption of 3.60% per annum was used at 31 December 2018, implying a net post retirement discount rate of 5.98% per annum at that date.

In terms of IAS19 the pension increase rate must be set independently of the discount rate. The affordability of the pension increases for the current valuation were determined with reference to the Fund's expected return on assets as per the most recent statutory valuation.

- Pension increases (pensioners): The pension increase assumption was previously determined with reference to the Fund's stated pension increase policy. The University has however obtained an opinion which states that IAS19 requires that allowance be made for pension increases in excess of, or less than, the pension increase target, subject to affordability, where affordability is determined with reference to the Fund's "best estimate" actuarial assumptions. We have assumed that "best estimate" assumptions in this context refer to those assumptions applied in the last statutory actuarial valuation of the Fund. The University, in conjunction with their auditors, have therefore instructed us to perform the calculation of the pension increase assumption in respect of pensions in payment, in line with the principles set out above. Our methodology for performing such calculation has been set out below.
- Net discount rate: The net discount rate applied to in-service members is 3.02% per annum (calculated as 1.0930 ÷ 1.0610 1). This is higher than the 40% of Earnings Yield basis (2.45% per annum) discount rate specified in the Regulations to the PFA for the calculation of the Minimum Individual Reserve. We have set the actuarial reserve of the member equal to a minimum of the Minimum Individual Reserve ("MIR"). The MIR calculation depends on the member's normal retirement age in terms of the Fund Rules the normal retirement age of members is between ages 60 and 65 according to the member's employment conditions. For the purposes of the MIR calculation we have assumed an average normal retirement age of 64 (consistent with the previous valuation). We highlight that the difference between the various financial assumptions are generally more important than the absolute assumptions. The net pre-retirement discount rate has increased from 2.62% to 3.02% per annum, and the net post-retirement discount rate has increased from 3.58% to 4.00% per annum (for Category A and B members). This implies, with all else being equal, that there will be a decrease in the calculated liabilities as a result of a change in the financial assumptions.



NOTES TO THE CONSOLIDATED AND STAND ALONE FINANCIAL STATEMENTS for the year ended 31 December 2019

An approximate split of the Fund's assets by asset class as at 31 December 2019 is set out below:

Asset class	Category A & B in-service members	Category C in- service members	Pensioners	Liability weighted average
SA equities	23,1%	39,8%	5,9%	10,8%
SA property	5,7%	8,0%	3,4%	4,1%
SA nominal bonds	27,7%	18,6%	5,7%	11,7%
SA inflation-linked bonds	5,7%	0,0%	45,8%	34,6%
SA cash	5,8%	0,4%	8,6%	7,8%
International equities	24,8%	24,8%	26,4%	26,0%
Other	7,2%	8,4%	4,2%	5,0%
Total	100,0%	100,0%	100,0%	100,0%

An approximate split of the Fund's assets by asset class as at 31 December 2018 is set out below:

Asset class	Category A & B in-service members	Category C in- service members	Pensioners	Liability weighted average
SA equities	24,3%	41,7%	6,3%	12,3%
SA property	5,8%	8,1%	3,5%	4,3%
SA nominal bonds	27,1%	18,1%	5,5%	12,5%
SA inflation-linked bonds	5,8%	0,0%	49,8%	35,3%
SA cash	6,9%	1,1%	6,0%	6,3%
International equities	23,7%	23,7%	25,5%	24,9%
Other	6,4%	7,3%	3,4%	4,4%
Total	100,0%	100,0%	100,0%	100,0%

Note that there is a cash flow matching strategy in place in respect of a portion of the pensioner liability at the current

	R'000 2019	R'000 2018	R'000 2017	R'000 2016
Present value of obligation	1653 504	1 637 961	1587520	1537 033
Fair value of plan assets	1805 524	1779 524	1 843 118	1 816 159
(Funded)/unfunded obligation	(152 020)	(141 563)	(255 598)	(279 126)

Demographic assumptions in respect of Category A, B and C members and Pensioners

The valuation basis in respect of the Fund's demographical assumptions remains unchanged from those used at the previous valuation date.

The following mortality tables have been used:

- Before retirement

- After retirement

- After retirement

- After retirement

- Mortality table

SA85-90(light)

- PA(90) rated down 2 years

The same rates of resignation and ill-health as those adopted at previous statutory valuation of the Fund have been used.

All members are assumed to retire at age 65, but provision is made for early retirement at the same rates as those adopted at previous statutory valuation of the Fund. However, for the purposes of calculating the Minimum Individual Reserve, an average normal retirement age of 64 has been assumed.

Salary increases have been taken into account as the sum of general salary inflation and promotional / merit increases per age. The promotional / merit increase is based on the same tables as per the previous valuation.



NOTES TO THE CONSOLIDATED AND STAND ALONE FINANCIAL STATEMENTS for the year ended 31 December 2019

2010

2010

Although IAS 19 recommends making allowance for improvements in post retirement mortality, we have not made such allowance at the valuation date. The post retirement mortality assumption is set to be consistent with the assumption used in the last statutory valuation of the Fund (as at 13 December 2017) in which the valuator confirms the appropriateness of the assumption used. Improvements in post retirement mortality will be allowed for in future should the Fund valuator consider this appropriate for the statutory valuations of the Fund.

One of the key drivers of the financial position of the Fund over the long term is pensioner longevity. If pensioners live longer (because of medical advancement, for example than we have budgeted for, all other things being equal, a shortfall will arise.

100% of in-service members will be married at retirement with husbands being 3 years older than their wives. (For pensioners, the actual marital status is taken into account.)

Analysis of actuarial gains and losses

The table below sets out the actuarial gains and losses due to changes in demographic assumptions and changes in financial assumptions:

	2019	2010
	R'000	R'000
Actuarial gain \ (loss) due to changes in financial assumptions	(49 642)	84 829
Actuarial gain \ (loss) due to experience differing from assumptions	61 530	(24 659)
Total actuarial gain \ (loss) arising	11 888	60 170

The actuarial loss due to changes in financial assumptions is due to the weakening of the preretirement basis and strengthening of the post- retirement bases from the previous valuation date. The net pre-retirement discount rate has increased from 2.62% per annum to 3.02% per annum and the net post retirement discount rate for pensioners has decreased from 4.87% per annum to 4.00% per annum. The net effect of these opposing changes has resulted in an actuarial loss, since the loss in respect of pensioners is greater than the gain in respect of active members.

The actuarial gain due to changes in experience differing from assumptions is partly due to actual pension increases being lower than expected. There are other miscellaneous items arising from, amongst other things, membership movements during the inter-valuation period.

Fund liability position

Category	2019 R'000	2018 R'000
In-service member liability	453 400	463 045
Pensioner liability	1184 008	1 090 912
Combined liability	1637 408	1553 957
Current service cost	10 292	8 212

The liability reflected above includes the liability in respect of disability claimants in each of the relevant categories, where applicable. The cost of the Category D members' in-fund retirement option is very sensitive to the difference between the net post-retirement discount rate on the ongoing funding valuation basis of 4.50% p.a. and on the IAS19 valuation basis of 4.00% p.a. At the previous valuation date the net post retirement discount rates were 4.59% p.a. and 3.58% p.a. respectively.

The results above reflect a net increase of R15 543 000 in the liabilities. The net decrease is made up of the following items:

- Increase through the service cost;
- Increase through the interest cost;
- Increase through actuarial gain; and
- Decrease through benefit payments made (negative item).

An actuarial gain or loss results from the actual experience differing from that assumed at the previous valuation, as well as any changes in assumptions from the previous valuation.



NOTES TO THE CONSOLIDATED AND STAND ALONE FINANCIAL STATEMENTS for the year ended 31 December 2019

Contributions towards funding defined benefit liabilities for the next financial reporting period.

The University currently contributes at 14.14% of members' pensionable salaries in respect of Category A, B and C members. Note that only a portion of the employer's contribution in respect of Category C members are applied towards funding defined benefit liabilities.

Category A members contribute at 8.0% of their pensionable salaries while Category B and C members contribute at 7.5% of their pensionable salaries. Similarly to the above, only a portion of the members' contributions in respect of Category C members are applied towards funding defined benefit liabilities.

Neither the University nor Category D members contribute towards funding the in-Fund retirement option as this option is cost neutral on the Fund's statutory valuation basis.

The expense for the defined contribution section of the Fund (i.e. including Category D members and the defined contribution component of Category C members) is equal to the University's contributions in respect of those members. This expense has not been disclosed in this report and the University should account for this separately in its financial statements.

Based on the above, the total expected contributions towards funding defined benefit liabilities for the financial reporting period ending on 31 December 2019 are:

	2019
	R '000
Employer	6 616
Member contributions:	3 509

Sensitivity analysis

Impact of 1% change in the salary inflation rate

The following table sets out the impact of a 1% change in the long-term salary inflation rate when compared to the calculated base liability at 31 December 2019.

	1% decrease 5.10% p.a.	Base liability 6.10% p.a.	1% increase 7.10% p.a.
	R'000	R'000	R'000
Defined benefit asset	1805 524	1805 524	1805 524
In-service member liability	(469 246)	(469 496)	(471 682)
Pensioner liability	(1 184 008)	(1184 008)	(1184 008)
Funded /(Unfunded) status	152 270	152 020	149 834
% change in defined benefit liability	0,0%	0%	0,1%
% change in funded status	0,2%	0%	-1,4%
One-year service cost	10 023	10 292	10 633
% change	-2,6%	0,0%	3,3%



NOTES TO THE CONSOLIDATED AND STAND ALONE FINANCIAL STATEMENTS for the year ended 31 December 2019

Impact of 1% change in the discount rate

The following table sets out the impact of a 1% change in the discount rate when compared to the calculated base liability at 31 December 2019.

	1% decrease 8.30% p.a.	Base liability 9.30% p.a.	1% increase 10.30% p.a.
	R'000	R'000	R'000
Defined benefit asset	1805 524	1805 524	1805524
In-service member liability	(520 132)	(469 496)	(429 835)
Pensioner liability	(1 276 639)	(1184 008)	(1102889)
Funded / (Unfunded) status	8 753	152 020	272 800
% change in defined benefit liability	8,7%	0%	-7,3%
% change in funded status	-94,2%	0%	79,5%
One-year service cost	11 974	10 292	9 150
% change	16,3%	0,0%	-11,1%

Impact of a one year change in the age rating of the post retirement mortality assumption

The following table sets out the impact of a one year change in the age rating of the post retirement mortality assumption when compared to the calculated base liability at 31 December 2019.

	Lower mortality PA(90) – 3	Base liability PA(90) – 2	Higher mortality PA(90) - 1
	R'000	R'000	R'000
Defined benefit asset	1805 524	1805524	1805 524
In-service member liability	(479 087)	(469 496)	(459 856)
Pensioner liability	(1224 646)	(1184 008)	(1143 503)
Funded /(Unfunded) status	101 791	152 020	202 165
% change in defined benefit liability	3,0%	0%	-3,0%
% change in funded status	-33,0%	0%	33,0%
One-year service cost	10 526	10 292	10 061
% change	2,3%	0,0%	-2,2%



NOTES TO THE CONSOLIDATED AND STAND ALONE FINANCIAL STATEMENTS for the year ended 31 December 2019

18.6.3 Post employment medical benefits

The University of the Free State operates a post employment medical benefit schemes. The results of the actuarial valuation for the post- employment health care liabilities are in respect of its continuation and widow(er) members ('CAWMs') and there registered dependants for whom the University provides such a benefit. The method of accounting and the frequency of valuations are similar to those used for defined benefit pension schemes. Employees of the University are primarily members of Discovery Health Medical Scheme, but also participate in Bestmed Medical Scheme. The latest actuarial valuation was carried out as at 31 December 2019.

For the purpose of IAS 19 (AC 116), the University is not required to recognise the cross-subsidy liability. Therefore, the liabilities have been calculated on the contractual liabilities only.

University Subsidy policy

Members	Post-employment	Death-in-service
CAWMs retired before 1 July 2005	Rand amount as provided by UFS (which was set at retirement) increasing at salary inflation	n/a
CAWMs retired after 1 July 2005	Rand amount as provided by UFS (which is based on 53% of the medical scheme contribution and applying the applicable individual subsidy) increasing at health care cost inflation limited to a maximum of R3,938*, which increases at salary inflation	n/a
Active members employed and joining the medical scheme before 1 July 2002	53% of the monthly contribution of the plan option on which the member participates subject to a maximum of R3,938*, increasing at salary inflation.	Same as post-employment
Active members employed and joining the medical scheme between1 July 2002 and 1 January 2014	5% of 53% of the monthly contribution of the plan option on which the member participates for each year of completed service and medical scheme membership before 31 December 2013, subject to a maximum of R3,938*, increasing at salary inflation.	Same as post-employment
Active members employed or joining the medical scheme on or after 1 January 2014	0%	Same as post-employment

^{*}Subsidy increase

Please note that the maximum Rand amount of R3,938 per month is in respect of 2020. This Rand cap increases in line with salary inflation. However, the underlying subsidised contributions increase in line with health care cost inflation.



NOTES TO THE CONSOLIDATED AND STAND ALONE FINANCIAL STATEMENTS for the year ended 31 December 2019

Key actuarial assumptions

The actuarial valuation method used is the Projected Unit Credit-method. The main actuarial assumptions are as follows:

		2019	2018
Discount rate		9,94%	10,04%
Health care cost inflation		7,42%	8,02%
Consumer price inflation (CPI)		5,92%	6,52%
Salary inflation		7,01%	7,90%
Real discount rate (With respect to salary inflation)		2,74%	1,98%
Members employed before 1 April 1998	- Normal retirement age	65	65
	- Expected average retirement age	63,4	63,3
Members employed on or after 1 April 1998	- Normal retirement age	60	60
	- Expected average retirement age	59,2	59,2
Spouse age gap		3 years	3 years
Continuation at retirement		100,00%	100,00%
Proportion married at retirement		75,00%	75,00%
Orphan contribution cease age		21	21
Subsidy-weighted duration of total liability		11,3	11,6
Mortality pre-expected retirement age with consideration of actuary table, ref SA1985 - 90 LIGHT			

Mortality post-expected retirement age, with consideration of actuary table, ref PA (90) - 2

It is a requirement of IAS 19R that the valuation discount rate be equal to the actual long corporate bond yields. Since the South African market in corporate bonds is not sufficiently deep, it is accepted practice to use the South African Government Bonds as a proxy, with or without an additional margin to reflect corporate risk. The term maturity of such bond should be consistent with the term of the liability. Therefore, as required by IAS 19R, the valuation discount rate is based on the current long-term government bond yields, as provided by the Johannesburg Stock Exchange (JSE), at the point on the curve where the duration of the liability matches the duration of the yield curve generated by the bonds. We have added 0.5% margin for corporate risk.

Health care cost inflation and Consumer price Inflation (CPI)

In accordance with the calculation of the discount rate, we also determine the health care cost inflation assumption on a similar basis for determining the discount rate. We determine the Consumer Price Index (CPI) by calculating the implied inflation using the effective nominal bond yield and the effective real bond yield of the same bonds used to derive the discount rate. This results in the CPI curve by duration. The health care cost inflation assumption is derived by adding a margin of between 0% and 1.5% to the CPI curve.

The salary inflation for the University for 2019/2020 was 7.01%. Therefore, we have assumed the salary inflation to be equal to CPI + 1.09% to be in line with the actual salary inflation assumption for the University.

Health care cost inflation

We have assumed that the current contribution table(s) of the medical scheme(s) would continue to apply in the future, with allowance for inflation increases at the health care cost inflation assumption summarised above. This has been assumed to be 1.5% above CPI.

Real discount rate

The maximum monthly subsidised Rand amount for active members is assumed to increase each year with salary inflation, where salary inflation is expected to be CPI for UFS. Therefore, the real discount rate in respect of the maximum cap is based on CPI and not health care cost inflation. However, the underlying subsidised contribution (the subsidy below the maximum cap) is expected to increase in line with health care cost inflation.

Decrement rates

We were not provided with relevant data to enable the calculation of company specific decrement rates (mortality, retirement, resignation and employment rates). In addition, the membership size of the company is not large enough to provide credible results. However, the standard assumptions that we have used are based on the global experience of a range of South African companies, and we do not have reason to believe them to be inappropriate.

Proportion married

We have assumed that the above proportion of retirees will be married at retirement. We have used actual marital status for CAWMs.



NOTES TO THE CONSOLIDATED AND STAND ALONE FINANCIAL STATEMENTS for the year ended 31 December 2019

Membership profile

We allowed for medical scheme membership changes due to stated assumptions of mortality and withdrawal. Since University employees and/or retired employees do not belong to a medical scheme that is closed to new entrants, we have not taken into account that the age profile of the medical scheme membership may change.

Death-in-service

We have assumed the actual marital status for employees when valuing the death-in-service liability, where applicable.

Resignation and retirement

If an employee leaves the employment of UFS, there would be no post-employment obligation in respect of that member.

Spouse age gap

We have assumed husbands will be 3 years older than their wives.

Child dependants

Unless otherwise stated, we have assumed that the member will not have any children dependants at retirement and therefore no children would be subsidised when the principal member retires.

Orphans

We have assumed that subsidies in respect of orphans cease when they reach the orphan contribution cease age, as per disclosures above. This is usually specified by the company's policies and procedures.

Plan options

We have assumed that the membership will remain on their current plan option during retirement. For members close to retirement, this implicitly allows for the migration of members to more comprehensive benefits as they get older, where applicable.

Duration of liability

The duration of the total liability is based on the subsidy-weighted average discounted mean term.

Sensitivity analysis

The sensitivity analysis that illustrates how the results change under various alternative assumptions.

	2019		2018	
	% Change in past-service contractual liability	% Change in service cost plus interest cost contractual liability	% Change in past-service contractual liability	% Change in service cost plus interest cost contractual liability
Consumer price inflation +1%	12,70%	13,90%	13,50%	14,80%
Consumer price inflation -1%	-10,70%	-11,60%	-11,30%	-12,20%
Mortality rate + 1 %	-8,20%	-8,80%	-8,80%	-9,40%
Mortality rate -1%	9,10%	9,90%	9,80%	10,70%
Resignation rate +1%	-2,30%	-3,00%	-2,60%	-3,30%
Resignation rate -1%	2,60%	3,30%	2,90%	3,70%
Discount rate +1%	-10,30%	-3,80%	-11,00%	-4,70%
Discount rate -1%	12,50%	4,30%	13,40%	5,40%
	2019	2018	2017	2016
	R'000	R'000	R'000	R'000
The value of unfunded obligations at year end:	491 175	521 987	495 861	179 711

The total estimated subsidised contribution payable by the employer in respect of post-employment health care benefits for the year following the valuation date is R20,158 million.



NOTES TO THE CONSOLIDATED AND STAND ALONE FINANCIAL STATEMENTS for the year ended 31 December 2019

The amounts recognised in the statement of financial position were determined as follows:

	2019 R'000	2018 R'000
Present value of unfunded obligations		
Unfunded obligations in terms of active members	226 572	255 687
Unfunded obligations in terms of continuation and widowed members	264 603	266 300
Liability in the Statement of financial position	491 175	521 987

The liabilities shown above are in respect of the employer's share of medical scheme contributions. Only the contractual liabilities are required to be recognised under the IAS 19 accounting standards.

No long-term assets are set aside in respect of the UFS's post-employment health care liabilities. Therefore, no assumption specifically relating to assets has been made.

Movement in the defined benefit obligation is as follows:

Opening net carrying amount	521 987	495 861
Current service cost	13 214	13 644
Interest cost	51 460	48 056
Benefits paid	(18 876)	(16 969)
Actuarial (gain)/loss	(76 610)	(18 605)
Closing net carrying amount	491 175	521 987
The amounts recognised in the Statement of comprehensive income are as follows:		

The amounts recognised in the Statement of comprehensive income are as follows:

Current service cost	13 214	13 644
Benefits paid	(18 876)	(16 969)
Interest cost	51 460	48 056
Total included in staff cost	45 798	44 731

The amounts recognised as Other comprehensive income are as follows:

Recognition of previously unrecognised actuarial loss / (gain)	(76 610)	(18 605)
Total included in other comprehensive income	(76 610)	(18 605)

Analysis of actuarial gains and losses

The table below sets out the actuarial gains and losses due to changes in demographic assumptions and changes in financial assumptions:

Actuarial gain \ (loss) due to the actual demographical profile of membership compare with that expected	31 547	5 621
Actuarial gain \ (loss) due to actual health care inflation cost compared with that expected	1604	6 302
Actuarial gain \ (loss) due to changes in actuarial assumptions	43 459	6 682
Total actuarial gain \ (loss) arising	76 610	18 605

The discount rate and consumer price inflation assumptions have changed from 10.04% and 6.52% p.a. to 9.94% and 5.92% p.a., respectively, with a resulting change to the health care cost inflation and salary inflation assumptions. This decreases the liability resulting in a surplus of R43.5 million.

Medical inflation

The expected average increase in the underlying contributions was 7.97% compared to the actual overall average postemployment contribution increase of 7.65% on average. The expected increase in the maximum cap was 7.9% compared to the actual increase 7.01%. The overall deviation of inflation from the expected, including the impact of dependant changes, creates a net surplus of R1.6 million.

Membership

The membership with post-employment health care subsidisation experienced a net decrease of 102 active members and 1 CAWM since the previous valuation. The net effect of the above membership changes decreases the liability creating a surplus of R31.5 million.



NOTES TO THE CONSOLIDATED AND STAND ALONE FINANCIAL STATEMENTS for the year ended 31 December 2019

Risk exposures

Through its defined benefit pension plans and post-employment medical plans, the group is exposed to a number of risks, the most significant of which are detailed below:

Changes in bond yields:

A decrease in corporate bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' bond holdings.

Inflation risks:

Some of the group's pension obligations are linked to salary inflation, and higher inflation will lead to higher liabilities (although, in most cases, caps on the level of inflationary increases are in place to protect the plan against extreme inflation). The majority of the plan's assets are either unaffected by (fixed interest bonds) or loosely correlated with (equities) inflation, meaning that an increase in inflation will also increase the deficit.

Life expectancy:

The majority of the plans' obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plans' liabilities. This is particularly significant in the plan, where inflationary increases result in higher sensitivity to changes in life expectancy.

18.6.4 Post employment Group life insurance benefits (also refer to note 21.2)

The University of the Free State operates a post employment group life insurance scheme. The method of accounting and the frequency of valuations are similar to those used for defined benefit pension schemes. The latest actuarial valuation was carried out as at 31 December 2018.

The University's subsidy policy is as follows:

- The University subsidises 50% of the total premiums paid by retirees towards postemployment group life insurance.
- The PRGLI subsidy is in respect the premiums payable to an insurer for life cover equal to 1.6x the annual pensionable salary of employees on their date of retirement.
- Employees are entitled to the subsidy provided that they remain in the employment of the University until retirement.
- Retirees have the option of taking up the PRGLI on their date of retirement.

Key actuarial assumptions

The actuarial valuation method used is the Projected Unit Credit-method. The main actuarial assumptions are as follows:

	2019	2018
Discount rate	9,80%	9,80%
Long term price inflation	6,00%	6,00%
Salary inflation	6,90%	8,00%
Take up rate	70,00%	70,00%
Net discount rate pre-retirement	2,71%	1,67%
Mortality pre-expected retirement age with consideration of actuary table, ref SA1985 - 90 LIGHT		

Mortality post-expected retirement age, with consideration of actuary table, ref PA (90) - 2

Discount rate

We have determined the duration of the PRGLI subsidy arrangement to be in the order of 10 years as at 31 December 2018. The discount rate was set by determining the level of the South African zero coupon bond yield curve as at 31 December 2018 at a term of 10 years. The discount rate is 9.80% per annum at this term. Using a similar methodology the discount rate was set at 9.80% per annum as at 31 December 2018.



NOTES TO THE CONSOLIDATED AND STAND ALONE FINANCIAL STATEMENTS for the year ended 31 December 2019

Long-term price inflation

We have assumed a long-term future inflation rate of 6.00% per annum determined using the following relationship:

Expected inflation = nominal bond yield less inflation-linked bond yield less inflation risk premium.

The applicable nominal bond yield has been determined in the same way as the nominal bond yield used in determining the discount rate, i.e. 9.80% per annum. In order to determine the yield on inflation linked bonds (on the same basis as for nominal bonds) we have used the level of the South African zero coupon real yield bond curve as at 31 December 2019. The corresponding yield from this curve (at a term of 10 years) is 3.30% per annum at the valuation date. Excluding an allowance for an inflation risk premium, implies an expected future inflation rate of 6.50% per annum (9.80% less 3.30% per annum). Our view is that based on market conditions at the valuation date, an inflation risk premium between 0.50% and 1.25% per annum is appropriate when determining the extent of the risk premium holders of nominal bonds currently require to compensate them for the risk that the value in their bonds may decline if inflation is higher than expected. We have assumed an inflation risk premium of 0.50% for the purposes of this valuation. Based on the above, an expected inflation rate of 6.00% per annum has been assumed as at 31 December 2018 (i.e. 9.80% less 3.30% less 0.50%). As at 31 December 2019 an inflation rate of 6.00% was assumed using a similar methodology as described above.

Increases in subsidy

The subsidy is linked to the employee's salary at retirement and does not increase after retirement. The cost of the subsidy could increase or decrease in future, depending on the rate per R1 000 cover that can be secured from the insurer - we have assumed that this rate will remain constant over time and, therefore, that the cost of the subsidy remains constant after retirement.

Net discount rate

The net discount rate applied to in-service employees is 2,71% (1.67% in 2018) per annum. We highlight that the difference between the various financial assumptions are generally more important than the absolute assumptions. The net discount rate applied to in-service employees increased from 1.67% per annum to 2.71% per annum between 1 January 2019 and 31 December 2019.

Demographical assumptions

- Employees are assumed to retire at their normal retirement age, either 60 or 65;
- On reaching normal retirement age 70% of members will take up PRGLI cover. This proportion was determined by investigating the typical take up rates over the inter-valuation period.
- Once an employee has elected to take up the cover at retirement, it has been assumed that this cover will be retained (and the subsidy will continue to apply) until death.

Disclosures as at 31 December 2019	DB obligation	Cost / (credit) recognised in P&L	(Gain) /loss recognised in OCI
	R' 000	R' 000	R' 000
Recognition of obligation	18 791	-	-
Actuarial (gain)/loss	3 985	3 985	-
Balance as at 31 Dec 2019	22 776	3 985	-
Disclosures as at 31 December 2018	DB obligation	Cost / (credit) recognised in P&L	(Gain) /loss recognised in OCI
	R' 000	R' 000	R' 000
Recognition of obligation	16 812	16 812	-
Current service cost	790	790	-
Interest cost	1596	1596	-
Benefits paid	(1244)	(1244)	-
Actuarial (gain)/loss	837	-	837
Balance as at 31 Dec 2018	18 791	17 954	837

No long-term assets are set aside in respect of the UFS's post-employment group life insurance. Therefore, no assumption specifically relating to assets has been made.



NOTES TO THE CONSOLIDATED AND STAND ALONE FINANCIAL STATEMENTS for the year ended 31 December 2019

Sensitivity analysis

The sensitivity analysis that illustrates how the results change under various alternative assumptions.

Impact of 1% change in the salary inflation rate

The following table sets out the impact of a 1% change in the long-term salary inflation rate when compared to the calculated base liability at 31 December 2019.

	1% decrease 5.9% p.a.	Base liability 6.9% p.a.	1% increase 7.9% p.a.
	R'000	R'000	R'000
In-service employee liability	10 822	11 735	12 722
Retiree liability	11 041	11 042	11 041
Total defined benefit liability	21 863	22 777	23 763
% change in defined benefit liability	-4,0%	0%	4,3%

Impact of 1% change in the discount rate

The following table sets out the impact of a 1% change in the discount rate when compared to the calculated base liability at 31 December 2019.

	1% decrease 8.80% p.a.	Base liability 9.80% p.a.	1% increase 10.80% p.a.
	R'000	R'000	R'000
In-service employee liability	13 592	11 735	10 223
Retiree liability	11 642	11 042	10 502
Total defined benefit liability	25 234	22 777	20 725
% change in defined benefit liability	10,8%	0%	-9,0%

Impact of a one year change in the age rating of the post retirement mortality assumption

The following table sets out the impact of a one year change in the age rating of the post retirement mortality assumption when compared to the calculated base liability at 31 December 2019.

	Lighter mortality PA(90) – 3	Base liability PA(90) – 2	Heavier mortality PA(90) - 1
	R'000	R'000	R'000
In-service employee liability	8 443	11 735	8 318
Retiree liability	11 205	11 042	10 876
Total defined benefit liability	19 648	22 777	19 194
% change in defined benefit liability	-13,7%	0%	-15,7%

Impact of a changing the assumed take-up rate at retirement

The following table sets out the impact of changing the assumed take-up rate at retirement when compared to the calculated base liability at 31 December 2019.

	Higher take-up rate 90%	Base liability 70%	Lower take-up rate 50%
	R'000	R'000	R'000
In-service employee liability	15 087	11 735	8 381
Retiree liability	11 041	11 042	11 041
Total defined benefit liability	26 128	22 777	15 873
% change in defined benefit liability	14,7%	0%	-30,3%

No entity-specific risks relating to the post employment group life insurance liability were identified.



NOTES TO THE CONSOLIDATED AND STAND ALONE FINANCIAL STATEMENTS for the year ended 31 December 2019

18.7 Deferred income

Accounting policy:

Refer to note 6 for disclosure of the accounting policy relating to grants for the group.

Non-current assets Opening net carrying amount Grants received during the year Grants realised Closing net carrying amount

Group		Univers	ity
2019	2018	2019	2018
R ' 000	R ' 000	R ' 000	R ' 000
238 378	192 051	238 378	192 051
189 947	301 350	189 947	301 350
(294 569)	(255 023)	(294 569)	(255 023)
133 756	238 378	133 756	238 378

Included in deferred income above are all earmarked grants received from DHET. This includes the infrastructure grant, clinical training grant, foundation grant and the university capacity development grant. The infrastructure earmarked for the construction of assets, is deducted in arriving at the carrying value of any assets constructed from the grant.

18.8 Deferred tax

Accounting policy:

Refer to note 16 for disclosure of the accounting policy relating to income tax for the group.

Area of significant management judgement and estimation:

Refer to note 16 for disclosure of the significant management judgements and estimations used in the recognition of deferred tax assets and liabilities. The deferred tax assets include an amount of R 4,767 m which relates to carried forward tax losses of Farmovs (Pty) Ltd following the acquisition of the subsidiary by the University. The group has concluded that the deferred assets will be recoverable using the estimated future taxable income based on the approved business plans and budgets for the subsidiary. The subsidiary is expected to generate taxable income from 2021 onwards. The losses can be carried forward indefinitely and have no expiry date.

	Group		University	
	2019	2018	2019	2018
Deferred tax liability	R ' 000	R ' 000	R ' 000	R'000
Property, plant and equipment	-	(485)	-	-
Right-of-use assets	(1322)	-	-	_
Total deferred tax liability	(1322)	(485)	-	-
Deferred tax asset				
Leave provision	529	428	-	-
Provision for impairment on debtors	36	129	-	-
Finance lease	-	13	-	-
Lease liability	1 318	-	-	-
Property, plant and equipment	167	-	-	-
Bonus provision	92	86	-	-
Assessed loss	14 571	4 189	-	-
Work in progress	2 221	265	-	-
Total deferred tax asset, net of valuation allowances recognised	18 934	5 110	-	_
Net deferred tax	17 613	4 626	-	-



NOTES TO THE CONSOLIDATED AND STAND ALONE FINANCIAL STATEMENTS for the year ended 31 December 2019

Reconciliation of deferred tax asset / (liability)

	dioup		Offiversity	
	2019	2018	2019	2018
	R ' 000	R ' 000	R ' 000	R'000
At the beginning of the year	4 625 670	-	-	-
Net deferred tax asset obtained through business combination (note 25.3)	-	6 313	-	-
Movement in Capital allowance	652	876	-	-
Temporary difference on finance lease	(13)	5	-	-
Temporary difference on right of use assets	(1 284)	-	-	-
Temporary difference on lease liabilities	1 318	-	-	-
Temporary difference on bonus provision	6	(64)	-	-
Temporary difference on Leave provision	101	83	-	-
Temporary difference on provision for bad debt	(93)	116	-	-
Temporary difference on WIP	1956	2 175	-	-
Temporary difference on operating leases	-	(37)	-	-
Temporary difference on bursaries	-	(74)	-	-
Temporary difference on assessed loss	10 382	(4 767)	-	-
	17 650	4 626	-	-

19 Recognised fair value measurements

Accounting policy:

The group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the group is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities

Valuation techniques used to determine fair values

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments
- for other financial instruments discounted cash flow analysis.

All of the resulting fair value estimates are included in level 2 except for unlisted equity securities, a contingent consideration receivable and certain derivative contracts, where the fair values have been determined based on present values and the discount rates used were adjusted for counterparty or own credit risk.



NOTES TO THE CONSOLIDATED AND STAND ALONE FINANCIAL STATEMENTS for the year ended 31 December 2019

Fair value hierarchy 19.1

This section explains the judgements and estimates made in determining the fair values of the financial and non-financial assets and liabilities that are recognised and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the group has classified its financial and non-financial assets and liabilities into the three levels prescribed under the accounting standards and detail in the accounting policy note above.

The classification of financial assets and liabilities into levels for the University does not differ from that of the group. There were no transfers between levels 1, 2 and 3.

The following table represents the groups assets and liabilities that are measured at fair value.

Recurring fair value measurements		R'000	R'000	R'000	R'000
as at 31 December 2019	Notes	Level 1	Level 2	Level 3	Total
Financial and non-financial assets					
Financial assets at fair value through profit or loss (FVPL)	17.4	5 773 090	-	-	5 773 090
Biological assets	18,5	-	-	7 463	7 463
Total financial and non-financial assets		5 773 090	-	7 463	5 773 090
Financial and non-financial liabilities					
Interest bearing borrowings	17,6	-	(185 769)	-	(185 769)
Total financial and non-financial liabilities		-	(185 769)	-	(185 769)
Recurring fair value measurements		R'000	R'000	R'000	R'000
as at 31 December 2018	Notes	Level 1	Level 2	Level 3	Total
Financial and non-financial assets					
Financial assets at fair value through profit or loss (FVPL)	17.4	5 275 722	-	-	5 275 722
Biological assets	18,5	-	-	8 081	8 081
Total financial and non-financial assets		5 275 722		8 081	5 283 803
Financial and non-financial liabilities					
Interest bearing borrowings	17,6	-	191 998	-	191 998
Total financial and non-financial liabilities			191 998		191 998
rotal infancial and non-infancial habilities			191 990		191 990

The fair value of current borrowings equals their carrying amount, as the impact of discounting is not significant. The fair values of non-current borrowings are based on discounted cash flows using a rate based on the prime rate and are within level 2 of the fair value hierarchy."

The fair values of non-current interest-bearing borrowings are as follows:

Total fair value of non-current interest-bearing borrowings:

199 070



NOTES TO THE CONSOLIDATED AND STAND ALONE FINANCIAL STATEMENTS for the year ended 31 December 2019

Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items for the periods ended 31 December 2019 and 31 December 2018:

Group		University	
2019	2018	2019	2018
R'000	R'000	R'000	R'000
8 081	6 466	3 009	2 285
(726)	(449)	-	-
305	1849	9	713
(197)	216	-	10
7 463	8 081	3 018	3 009

20. Cash flow information

20.1 Cash generated from operations

		Grou	p	Univer	sity
	Notes	2019 R'000	2018 R'000	2019 R'000	2018 R'000
Reconciliation of net surplus to cash generated from operations:	110103	K 000	000	K 000	N 000
Surplus for the year		750 856	295 507	782 292	321 460
(Income)/loss from associate	_	197	(84 777)	197	(84777)
Surplus for the year without associate		751 052	210 729	782 489	236 683
Adjustments for:					
Depreciation	18,1	70 900	126 963	65 576	118 387
Income tax expense	16	-	(10 280)	-	-
Revaluation of investments to market value		-	193 891	-	193 188
Dividends	14	(62 974)	(66 357)	(62 725)	(66 125)
Interest received	14	(202 342)	(179 475)	(202 332)	(176 750)
Administration cost financial assets	15	15 971	15 264	15 921	15 215
Interest expense		21 888	24 252	21 027	20 558
(Profit)/loss on sale of assets	11	2 674	4 458	2 519	2 378
Purchase of property, plant and equipment and cost of patents relating to grants	18,7	77 124	126 932	77 124	126 932
Changes in working capital (excluding the effects of acquisition and disposal):					
- Inventories		274	(955)	274	(955)
- Deferred tax		(13 552)	6 843	-	-
- Biological assets		618	(1616)	(9)	(723)
- Trade and other receivables		(44 410)	25 159	(37 887)	20 954
- Student and other loans		23	25 031	23	25 031
- Trade and other payables		35 910	36 815	26 787	47 919
- Deferred income		(104 622)	(80 605)	(104 622)	(80 605)
- Retirement benefit surplus		(9 874)	(8 051)	(9 874)	(8 051)
- Post-employment medical obligation		45 798	44 731	45 798	44 731
- Accrued leave obligation		4 184	5 082	3 825	4 785
- Post-employment group life obligation		3 985	17 954	3 985	17 954
Cash generated from operations		592 629	516 764	627 899	541 504



NOTES TO THE CONSOLIDATED AND STAND ALONE FINANCIAL STATEMENTS for the year ended 31 December 2019

20.2. Net liabilities from financing activities reconciliation

This note sets out an analysis of net liabilities from financing activities and the movements therein for the periods presented.

	Group		University	
	2019	2018	2019	2018
	' 000	' 000	' 000	, 000
Net liabilities as at 1 January	191 998	187 493	191 998	187 493
Capital repayments on borrowings	(10 000)	-	(10 000)	-
Interest accrued	21 888	24 252	21 027	20 558
Cash flow payments	(18 117)	(19 747)	(17 257)	(16 053)
Net liabilities as at 31 December 17,6	185 769	191 998	185 769	191 998

Further detail regarding borrowings is disclosed under note 17.6.

20.3 Further disclosures on Financing activities

Also refer to note 25.6 for the purchase consideration – cash outflow on acquisition of Farmovs (Pty) Ltd.



NOTES TO THE CONSOLIDATED AND STAND ALONE FINANCIAL STATEMENTS for the year ended 31 December 2019

Risks

This section of the notes discusses the group's exposure to various risks and shows how these could affect the group's financial position and performance.

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23.	Capital management	201



NOTES TO THE CONSOLIDATED AND STAND ALONE FINANCIAL STATEMENTS for the year ended 31 December 2019

21. Critical estimates, judgements and errors

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the group's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be wrong. Detailed information about each of these estimates and judgements is included in other notes together with information about the basis of calculation for each affected line item in the financial statements. In addition, this note also explains where there have been actual adjustments this year as a result of an error and of changes to previous estimates.

21.1 "Significant estimates and judgements

The areas involving significant estimates or judgements are:

- Estimation of current tax payable and current tax expense note 16.
- Estimated fair value of certain financial assets notes 19.
- Estimation of fair values investment property notes 18.2.
- Estimated useful life of intangible asset note 18.3
- Estimation of employee benefit obligation and assets note 18.6.
- Estimation of fair values of contingent liabilities and contingent purchase consideration in a business combination note 25.
- Recognition of deferred tax asset for carried forward tax losses note 18.8.
- Estimation of useful lives of assets note 18.1
- Estimation of useful lives of biological assets note 18.5

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances."

22. Financial risk management

This note explains the group's exposure to financial risks and how these risks could affect the group's future financial performance. Current year profit and loss information has been included where relevant to add further context.

Risk	Note	Exposure arising from	Measurement	Management
Market risks:				
- Foreign exchange	22.1.1	Future commercial transactions	Cash flow forecasting and sensitivity analysis	Portfolio diversion and foreign investments to offset exposure.
- Interest rate risk	22.1.2	Long-term borrowings at variable rates	Sensitivity analysis	Business models to fund ventures from external borrowings carefully considered and variable versus fixed rates considered.
- Security prices	22.1.3	Investments in equity securities	Sensitivity analysis	Portfolio diversion
Credit risk	22.2	Cash and cash equivalents, trade receivables	Aging analysis and credit rating	Diversification of bank deposits, credit limits. Investment guidelines for debt investments
Liquidity risk	22.3	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities.



NOTES TO THE CONSOLIDATED AND STAND ALONE FINANCIAL STATEMENTS for the year ended 31 December 2019

Risk management is performed by the relevant decision—making structures in the group in accordance with the policies approved by the Council or board of directors as applicable. Senior management identify, evaluate and coordinate the management of strategic risks faced by the group. Risk management processes are reviewed regularly for continuing relevance and effectiveness. A report on the risk management process that is being followed, as well as a summary of the risk register, was presented to the Audit and Risk Management Committee and to the Council of the University during the year under review.

The Group's investment channels have strong investment characteristics and no portfolios that have speculative characteristics, are being utilised.

22.1 Market risk

22.1.1 Foreign currency risk

Exposure

The group's exposure to foreign currency risk is mainly in the event of foreign sales transactions, settled on normal trade terms. This exposure is not significant and therefore no formal policy is in place to manage this risk.

The group is further exposed to foreign currency risk in regards to foreign investments held, mainly denominated in US dollar. Foreign currency risk exposure relating to foreign investments, are managed by independent fund managers. A multi-manager approach is followed in appointing investment managers to limit investment risk exposures. These fund managers are overseen by and report to the Investment Committee of the University.

Foreign investment exposure to foreign currencies (Also refer to 17.4)
Rand
Dollar
Trade receivables dominated in foreign currency (ZAR amount)

Group	University		
2019	2018	2019	2018
%	%	%	%
66%	68%	66%	68% US
34%	32%	34%	32%
R '000	R '000	R '000	R '000
9 810	8 689	-	-

Sensitivity

As shown in the table above, the group is primarily exposed to changes in US/ZAR exchange rates.

The table below shows the foreign currency risk exposure on foreign currency investments, taking into account a possible 10% variance in foreign currency rates.

Possible variances in foreign currency rates: Foreign Investments

Group	University
±10%	±10%
198 120	197 225



NOTES TO THE CONSOLIDATED AND STAND ALONE FINANCIAL STATEMENTS for the year ended 31 December 2019

22.1.2 Cash flow and fair-value interest rate risk

Exposure

Interest rate risk is the possibility that the group may suffer financial loss if either a fluctuating interest rate or fixed interest rate position is entered into and the interest rates move adversely. The group's income and operating cash flows are substantially independent of changes in market interest rates.

The University has interest rate exposure on interest-bearing liabilities. Interest rate attributes of new loans are reviewed and approved in accordance with policies approved by Council to ensure interest rate exposure will not exceed acceptable levels, Interest rates of all current loan agreements are fixed for their full term, except for the ABSA overdraft facility and therefore operating cash flows are substantially independent of changes in market interest rates. Refer to note 17.6 for further disclosures regarding interest-bearing borrowings and related interest rates.

The University also pays creditors within agreed settlement periods to avoid interest exposures.

The interest rate exposure on total borrowings of the group are at fixed rates.

			2019		2018	
	Note	Rate	R'000	% of borrowings	R'000	% of borrowings
Fixed rate borrowings	17.6		(185 769)	100%	(191998)	100%
FirstRand Bank		10,13%				
Development Bank of South Africa		12,04%				
	17.3	Prime				
Variable rate borrowings*			-		1700	

^{*} Interest is levied on the utilised overdraft balance only if the balance exceed the positive account balance of the current account at ABSA. This did not occur during 2018 or 2019, therefore no interest was levied.

No sensitivity analysis was performed as the likelihood that the group would be exposed to interest rate risk is highly unlikely.

22.1.3 Price risk

Exposure

The group is exposed to equity securities price risk because of investments held by the group classified on the statement of financial position as financial assets through profit and loss (Previously available-for-sale financial instruments). The group is not exposed to commodity price risk. To manage its price risk arising from investments in equity securities, the group diversified its investment portfolio. The diversification is done by independent fund managers and the limits of diversification are overseen by the Investment Committee. A multi-manager approach is followed in appointing investment managers to limit further price risk. The majority of the group's investments are publicly traded and included on the FTSE or JSE CAPI index. Also refer to note 17.4 for further information regarding investments.

		Group			
		201	9	201	8
	Note	R'000 % of investment portfolio		R'000	% of investment portfolio
Listed national shares	17.5	1 644 629	28%	1 512 401	29%

Sensitivity

The table below shows the price risk exposure of the group taking into account a possible variance of 10% in the FTSE / JSE CAPI index, with all other variables held constant.

The exposure of the University is not significantly different from that of the group, therefore no separate disclosure of the sensitivity.

	R '000
Possible variance in price risk:	±10%
Shares (listed)	164 463



NOTES TO THE CONSOLIDATED AND STAND ALONE FINANCIAL STATEMENTS for the year ended 31 December 2019

22.2 Credit risk

Credit risk arises from cash and cash equivalents, contractual cash flows of debt investments carried at amortised cost, at fair value through profit or loss (FVPL), deposits with banks and financial institutions, as well as credit exposures to students and customers, including outstanding receivables.

22.2.1 Risk management

The group is exposed to credit risk in for the following classes of transactions and balances:

		Related notes
23.2.2.1	Outstanding student fees and trade receivables	17.1
23.2.2.2	Student loans	17.2
	Cash and cash equivalents	17.3
23.2.2.3	Financial instruments at FV through profit and loss.	17.4

The group has no significant concentration of credit risk.

For banks and financial institutions, only independently highly rated parties are accepted and the University has policies in place to ensure that credit exposure to any one institution is limited.

It also has policies in place to ensure that rendering of education service are made to students with an appropriate credit history. Further detail on this specific policy is disclosed under note 17.1.

Commercial customers are rated with consideration of the customers financial position, past experience and other factors. There is no significant concentrations of credit risk, whether through concentrations of individual customers or industry sectors.

The group is of the opinion that as at 31 December 2019, there existed no material credit risks that were not provided for.

22.2.2 Impairment of financial assets

The group has the following types of financial assets that are subject to the expected credit loss model:

- Student and trade receivables (note 22.2.2.1)
- Debt investments carried at amortised cost (note 22.2.2.2)

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

The restatement on transition to IFRS 9 as a result of applying the expected credit risk model was immaterial for all financial classes listed above, with the exception of Student and trade receivables, which is detailed in note 22.2.2.1.

22.2.2.1 Student and trade receivables

The group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all student, trade receivables and contract assets. To measure the expected credit losses, student and trade receivables have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

The expected loss rates are based on the payment profiles of sales / services rendered over a period of 36 month before 31 December 2019 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information affecting the ability of the customers to settle the receivables. Historical loss rates are then accordingly adjusted. Also refer to the separate heading below for more factors considered in adjusted the provision for student receivables.

On that basis, the loss allowance as at 31 December 2018 and 31 December 2019 was determined as follows for both student and trade receivables.



NOTES TO THE CONSOLIDATED AND STAND ALONE FINANCIAL STATEMENTS for the year ended 31 December 2019

Student receivables

Student receivables are deemed impaired and credit losses are provided for if the students do not register for the next academic year and did not obtain a qualification. The expected loss rate for these students are adjusted to reflect current and forwardlooking information affecting the ability of the student to settle these receivables, as well as the ability of external debt recovery agents to recover money on behalf of the UFS. Students are not allowed to register for the next academic year if they still have outstanding debt or not being able to secure their registration during the provisional registration process.

Students with outstanding debt who obtained a qualification are not considered to be impaired to the same extend as the above students. This is based on historical evidence that these students do settle their debt in order to collect their qualifications. The provision for these students do however take into account the ability of external debt recovery agents, as well as the students ability in the current economic environment to settle the outstanding amounts.

The listing of students who did not register again and who did not complete their degrees, relate to the academic year being the year reported on. None relate to prior academic years.

In all the above categories, NSFAS qualifying students were separately considered for the credit loss provision as the qualifying criteria for NSFAS take into consideration the students household income and ability to settle outstanding fees not covered by NSFAS.

The credit quality of student receivables are managed by the University with reference to the following categories, were determined on a basis of historical student default rates and the effectiveness of external debt recovery agents who recover money on behalf of the UFS:

Student receivables only exist in the University, therefore disclosures for the group and the University will be the same.

Students still studying
Students not registered, who obtained a qualification
Students not registered and who did not obtain a qualification

2019 R '000	2018 R '000
140 468	87 592
13 591	13 926
62 273	73 733
216 332	175 252

The closing loss allowances for trade receivables as at 31 December 2019 reconcile to the opening loss allowances as follows:

Student receivables	
Opening loss allowance	
New allowance for credit losses	
Receivables written off during the year	
Closing net carrying amount	

Group		University		
2019 R ' 000	2018 R ' 000	2019 R ' 000	2018 R ' 000	
64 526	64 696	64 526	64 696	
87 020	61 753	87 020	61 753	
(71 505)	(61 922)	(71 505)	(61 922)	
80 041	64 526	80 041	64 526	



NOTES TO THE CONSOLIDATED AND STAND ALONE FINANCIAL STATEMENTS for the year ended 31 December 2019

Trade receivables - 2019

	Group					
	R '000	R '000	R '000	R '000	R '000	R '000
	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	More than 120 days past due	Total
31 December 2019						
Expected loss rate - University	0%	0%	0%	0%	9%	
Expected loss rate - Subsidiaries	4%	8%	10%	0%	0%	
Gross carrying amount	105 451	4 777	429	1438	8 730	120 825
Loss Allowance	322	147	44	-	2 081	2 595

Trade receivables - 2018

	Group					
	R '000	R '000	R '000	R '000	R '000	R '000
	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	More than 120 days past due	Total
31 December 2018						
Expected loss rate	0%	0%	0%	0%	11%	
Expected loss rate - Subsidiaries	4%	8%	9%	0%	0%	
Gross carrying amount	57 738	6 611	2 026	1 031	34 575	101 980
Loss Allowance	145	372	97	-	19 350	19 964

	Group		University	
Trade Receivables	2019 R ' 000	2018 R ' 000	2019 R ' 000	2018 R ' 000
Opening loss allowance	19 350	22 561	19 350	22 561
(Reversal) / New allowance for credit losses	(16 172)	(2 355)	(16 172)	(2 355)
Receivables written off during the year	(584)	(242)	(756)	(856)
Closing net carrying amount	2 595	19 964	2 422	19 350

Student and trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the group, and a failure to make contractual payments for a period of greater than 120 days past due.

Impairment losses on student and trade receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.



NOTES TO THE CONSOLIDATED AND STAND ALONE FINANCIAL STATEMENTS for the year ended 31 December 2019

Previous accounting policy for impairment of trade receivables

In the prior year, the impairment of trade receivables was assessed based on the incurred loss model. Individual receivables which were known to be uncollectible were written off by reducing the carrying amount directly. The other receivables were assessed collectively to determine whether there was objective evidence that an impairment had been incurred but not yet been identified. For these receivables the estimated impairment losses were recognised in a separate provision for impairment. The group considered that there was evidence of impairment if any of the following indicators were present:

- significant financial difficulties of the debtor
- probability that the debtor will enter bankruptcy or financial reorganisation, and
- default or late payments (more than 30 days overdue).

Receivables for which an impairment provision was recognised were written off against the provision when there was no expectation of recovering additional cash.

22.2.2.2 Student loans

Credit quality of student loans

All of the entity's debt investments at amortised cost are considered to have low credit risk, and the loss allowance recognised during the period was therefore limited to 12 months expected losses. Management consider 'low credit risk' when they have a low risk of default and the issuer has a strong capacity to meet its contractual cash flow obligations in the near term.

The credit quality of student loans are managed by the University with reference to the following categories:

- Student loans for students still studying, to the value of R0,035m (2018 R1,604m) are neither past due nor impaired, as the loans are not yet repayable. Students that are still studying are deemed as recoverable.
- Student loans for students who completed their studies to the value of R1,615m (2018 R0,07m) are past due but not impaired. These relate to students for whom there is no recent history of default (i.e. making regular payments).

The age analysis of these loans are as follows:

Current
30 Days
60 Days
90 Days
120 Days and longer

Group		University	
2019	2018	2019	2018
R ' 000	R ' 000	R ' 000	R'000
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
28 757	27 340	28 757	27 340
28 757	27 340	28 757	27 340

As at 31 December 2018, student loans of R27,142m (2018: R27,271m) were impaired and provided for. These individually impaired student loans mainly relate to students who experienced difficulty repaying the loans. An allowance for credit losses of R27,142m (2018 - R27,271m) was raised.

Movement on the allowance for credit losses for students who completed their studies, which are past due are as follows:

Opening net carrying amount
Reversal / (allowance) for new credit losses
Loans written off during the year
Closing net carrying amount

Group		University	
2019	2018	2019	2018
R ' 000	R ' 000	R ' 000	R'000
27 271	96	27 271	96
(117)	27 388	(117)	27 388
(12)	(214)	(12)	(214)
27 142	27 271	27 142	27 271

The creation and release of allowances for credit losses have been included in 'Other operating expenses' in the consolidated and stand alone statement of comprehensive income. Amounts charged to the statement of comprehensive income are generally written off when there is no reasonable expectation of recovery.



NOTES TO THE CONSOLIDATED AND STAND ALONE FINANCIAL STATEMENTS for the year ended 31 December 2019

22.2.2.3 Credit quality of financial instruments at FV through profit and loss

The credit quality of investments are managed by the University with reference to the following categories. External credit ratings were included where available. None of these financial assets are either past due or impaired and no impairment provisions were raised in either

2019 or 2018. If there would have been allowances for credit losses, the amounts would be included in Other operating expenses in the consolidated statement of comprehensive income.

	Group		Unive	rsity
	2019 R ' 000	2018 R ' 000	2019 R ' 000	2018 R ' 000
National bonds and unlisted debt	936 918	887 317	936 918	887 317
Listed national shares	1 644 629	1 512 401	1 635 222	1503 987
Foreign shares and bonds	1 981 205	1 695 526	1 972 247	1 687 550
Futures	(176)	692	(176)	692
Current investments in financial institutions	1 210 514	1 179 786	1 207 609	1 177 086
	5 773 090	5 275 722	5 751 821	5 256 633
% Exposure of investments per category				
	Group		Unive	rsity
	2019	2018	2019	2018
	%	%	%	%
National bonds and unlisted debt	16%	17%	16%	17%
Listed national shares	28%	29%	28%	29%
Foreign shares and bonds	34%	32%	34%	32%
Futures	0%	0%	0%	0%
Current investments in financial institutions	22%	22%	22%	22%
	100%	100%	100%	100%
Listed National bonds and unlisted debt maturity				
0 - 1 year	4,79%	5,12%	4,79%	5,12%
1 - 3 years	8,18%	6,46%	8,18%	6,46%
3 - 7 years	24,70%	22,25%	24,70%	22,25%
7 - 12 years	12,76%	14,54%	12,76%	14,54%
12+ years	49,57%	51,63%	49,57%	51,63%

22.3 Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, the group aims to maintain flexibility in funding by keeping committed credit lines available.

The group has minimised risk of liquidity as shown by its sufficient cash, cash equivalents and investment portfolio. Management monitors rolling forecasts of the group's liquidity reserve (comprising the undrawn borrowing facilities below) and cash and cash equivalents (note 17.3) on the basis of expected cash flows. This is generally carried out at local level in the operating companies of the group in accordance with practice and limits set by the group. These limits vary by location to take into account the liquidity of the market in which the entity operates.

The cash budget is continuously updated and reported to Executive Management. An Investment Committee also oversees the investment portfolio managed by independent fund managers. A multi-manager approach is also followed in appointing investment managers to limit further liquidity risk.



NOTES TO THE CONSOLIDATED AND STAND ALONE FINANCIAL STATEMENTS for the year ended 31 December 2019

Maturity of financial liabilities

The table below analyses the group's financial liabilities into relevant maturity groupings based on the remaining period at the Statement of Financial Position date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

			Group		
	R'000	R'000	R'000	R'000	R'000
At 31 December 2019	Less than 1 year	Between 2 and 3 years	Between 4 and 5 years	Over 5 years	Carrying amount liabilities
Borrowings	18 551	41 381	47 820	278 708	191 998
Trade and other payables	482 295	-	-	-	482 295
	500 846	41 381	47 820	278 708	674 293
			Group		
At 31 December 2018	Less than 1 year	Between 2 and 3 years	Between 4 and 5 years	Over 5 years	Carrying amount liabilities
Borrowings	17 257	38 494	44 484	360 751	187 493
Trade and other payables	370 127	-	-	-	370 127
	387 384	38 494	44 484	360 751	557 620
			University		
	R'000	R'000	R'000	R'000	R'000
At 31 December 2019	Less than 1 year	Between 2 and 3 years	Between 4 and 5 years	Over 5 years	Carrying amount liabilities
Borrowings	18 551	41 381	47 820	278 708	185 769
Trade and other payables	458 773	-	-	-	458 773
	477 324	41 381	47 820	278 708	644 542
			University		
At 31 December 2018	Less than 1 year	Between 2 and 3 years	Between 4 and 5 years	Over 5 years	Carrying amount liabilities
Borrowings	17 257	38 494	44 484	360 751	191 998
Trade and other payables	355 793	-	-	-	355 793
	373 050	38 494	44 484	360 751	547 791



NOTES TO THE CONSOLIDATED AND STAND ALONE FINANCIAL STATEMENTS for the year ended 31 December 2019

23. Capital risk management

The group's objectives when managing capital are to

safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and

maintain an optimal capital structure to reduce the cost of capital.

Due to the varying nature of the University and it main subsidiary, their capital management strategies are disclosed separately below.

University

Funds comprise restricted and unrestricted funds. Restricted funds comprise funds which are subject to specific conditions for application. Unrestricted funds are those funds that can be employed by Council at its discretion. Funds on the statement of changes in funds are structured to differentiate between restricted and unrestricted funds.

In order to maintain the capital structure, the University has ensured a sound financial position by limiting exposure to debt and sufficient investment and cash balances, which is evident from the table below. This objective is met by a well-planned budget process each year in which the critical strategic objectives of the University are addressed.

	Group		University	
	2019 2018		2019	2018
	R'000	R'000	R'000	R'000
Current portion of financial assets	1 210 338	1 180 478	1 207 434	1 177 778
Cash and cash equivalents	448 853	152 129	441 233	135 956
Total	1 659 191	1332 606	1 648 667	1 313 734
Current liabilities	(508 802)	(575 559)	(483 631)	(560 081)
Total current liabilities	(508 802)	(575 559)	(483 631)	(560 081)
Net position	2 167 993	1 908 165	2 132 298	1 873 816

Farmovs

The company's objective when managing capital (which includes share capital, borrowings, working capital and cash and cash equivalents) is to maintain a flexible capital structure that reduces the cost of capital to an acceptable level of risk and to safeguard the company's ability to continue as a going concern while taking advantage of strategic opportunities in order to maximise stakeholders returns.



NOTES TO THE CONSOLIDATED AND STAND ALONE FINANCIAL STATEMENTS for the year ended 31 December 2019

Group structure

This section provides information which will help users understand how the group structure affects the financial position and performance of the group as a whole. In particular, there is information about:

- changes to the structure that occurred during the year as a result of business combinations
- transactions with non-controlling interests

A list of significant subsidiaries is provided in note . This note also discloses details about the group's equity accounted investments.

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NOTES TO THE CONSOLIDATED AND STAND ALONE FINANCIAL STATEMENTS for the year ended 31 December 2019

24. Interest in other entities

Principles of consolidation and equity accounting

(i) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the group. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss, statement of comprehensive income, statement of changes in equity and balance sheet respectively.

(ii) Associates

Associates are all entities over which the group has significant influence but not control or joint control. This is generally the case where the group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting (see (iii) below), after initially being recognised at cost.

(iii) Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses of the investee in profit or loss, and the group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

When the group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the group and its associates and joint ventures are eliminated to the extent of the group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the group.

The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in note 19.

(iv) Changes in ownership interests

The group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners.

When the group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.



NOTES TO THE CONSOLIDATED AND STAND ALONE FINANCIAL STATEMENTS for the year ended 31 December 2019

24.1. Group structure

The group's principal subsidiaries at 31 December 2019 are set out below. Unless otherwise stated, they have share capital consisting solely of ordinary shares that are held directly by the group, and the proportion of ownership interests held equals the voting rights held by the group. The country of incorporation or registration is also their principal place of business. South Africa is the principal place of business for all entities listed below.

Name of entity	Relationship to the University	Ownership and interes held by the University		Financial results	Principal activities
		2018	2017		
Kovsie Alumni Trust	The University is the sole beneficiary	100%	100%	Note 24.2.1	Marketing to Alumni to facilitate bursaries to students
Lila Theron Trust	The University is the sole beneficiary	100%	100%	Note 24.2.1	Farming activities
Shimla Stigting	The University is the sole beneficiary	100%	100%	Note 24.2.1	Promotion of Shimla Rugby
Kovsie Holdings (Pty) Ltd	Full Subsidiary	100%	100%	Note 24.2.1	Dormant
Achilla Bioscience (Pty) Ltd	Full Subsidiary	100%	100%	Note 24.2.1	Dormant
Farmovs (Pty) Ltd	Full Subsidiary	100%	30%	Note 24.2.2	Clinical research company
Sun Media (Pty) Ltd	Associate	33,3%	33,3%	Note 24.3	Publishing company

All of the above entities are wholly owned, except for SunMedia Ltd, which is accounted for as investment in associate under note 24.3. The University also acquired controlling interest in Farmovs (Pty) Ltd on 1 February 2018. Refer to note 25 for more details on the business combination.

Refer to note 24.4 for details of related party transactions with the parties listed above.

24.2 Subsidiaries

Only the financial result of Farmovs (Pty) Ltd is material to the group and is detailed in note 24.2.2 below. The financial results of all other

consolidated entities are not material, individually or combined. The combined financial results are disclosed in note 24.2.1 below

24.2.1 Statement of financial position of all subsidiary undertakings excluding Farmovs (Pty) Ltd.

Assets	2019 R '000	2018 R '000
Property, plant and equipment	1397	1366
Biological Assets	4 446	5 073
Investments	21 269	19 089
Receivables and prepayments	577	-
Bank and cash	4 169	3 682
Total assets	31 858	29 209
Funds and liabilities:		
Accumulated profit / funds available	20 963	19 286
Accounts payable	10 895	9 923
Total funds and liabilities	31 858	29 209



NOTES TO THE CONSOLIDATED AND STAND ALONE FINANCIAL STATEMENTS for the year ended 31 December 2019

24.2.2 Statement of financial position of Farmovs Pty Ltd. (Figures disclosed at consolidated values).

Assets	2019 R '000	2018 R '000
Property, plant and equipment	21 783	13 590
Deferred tax	18 934	5 110
Receivables and prepayments	16 292	9 640
Current tax receivable	10 908	10 381
Cash and cash equivalents	3 450	12 427
Total assets	71 368	51 147
Funds and liabilities:	2019 R '000	2018 R '000
Intercompany loans	36 994	1 914
Accumulated profit / funds available Deferred tax	10 424	39 719
Deferred tax	1284	485
Finance leases	5 441	537
Trade and other payables	17 225	8 492
Total funds and liabilities	71 368	51 147

24.3 Investment in associates and subsidiaries

24.3.1 Investment in associates

		Grou	р	Unive	rsity
Unlisted		2019 R '000	2018 R '000	2019 R '000	2018 R '000
- Farmovs (Pty) Ltd	24.3.1.1	-	-	-	-
- Sun Media Bloemfontein (Pty) Ltd	24.3.1.2	202	396	202	396
Total investment in associates		202		202	396
24.3.1.1 Farmovs (Pty) Ltd Opening net carrying amount		-	61 324	-	61 324
Profit/(loss) of associate		-	3 470	-	3 470
Capital dividends received		-	(33 377)	-	(33 377)
Impairment of fair value measurement		-	(2 421)	-	(2 421)
Reclassification to subsidiary due to business combination	25	-	(28 996)	-	(28 996)
Closing net carrying amount		-	-	-	-

Farmovs (Pty) Ltd is a clinical research organisation involved in pharmaceutical contract research and operates principally in South Africa. The University had a 30% share in Farmovs (Pty) Ltd during 2017. The shares (200 000 shares representing 20%) were acquired on 1 September 2000 and additional shares (100 000 shares representing 10%) were acquired on 1 September 2003. On 1 February 2018 the University obtained the remaining 70% of the shares of the company. Refer to note 25 for more disclosures relating to the business combination.



NOTES TO THE CONSOLIDATED AND STAND ALONE FINANCIAL STATEMENTS for the year ended 31 December 2019

24.3.1.2 Sun Media Bloemfontein (Pty) Ltd

	Group		University	
	2019 R '000	2018 R '000	2019 R '000	2018 R '000
Opening net carrying amount	396	380	396	380
Revenue of the associate (33%)	(195)	16	(195)	16
Closing net carrying amount	202	396	202	396
Revenue of the associate (33%)	889	1123	889	1123
Assets and liabilities of the associate: (33%)				
Assets	214	437	214	437
Liabilities	(41)	(74)	(41)	(74)
Equity	173	363	173	363

The University holds a 33.3% share in Sun Media Bloemfontein (Pty) Ltd. The company is a publishing organisation which operates principally in South Africa. The shares (320 shares representing 33.3%) were acquired on 1 January 2009. The University plan to sell 16% of it's share's in 2020 to the Central University of Technology.

The investment has been accounted for using the equity method.

24.3.2 Investment in subsidiary

		Group		Universit	У
Unlisted		2019 R '000	2018 R '000	2019 R '000	2018 R '000
- Farmovs (Pty) Ltd	24.3.2.1	-	-	96 707	96 707
Total investment in subsidiary		-	-	96 707	96 707
24.3.2.1 Farmovs (Pty) Ltd					
Opening net carrying amount		-	398	96 707	-
Reclassification of associate to subsidiary due to		-	(398)	-	-
business combination	25	-	-	-	96 707
Closing net carrying amount		-	-	96 707	96 707

Farmovs (Pty) Ltd is a clinical research organisation involved in pharmaceutical contract research and operates principally in South Africa. The University had a 30% share in Farmovs (Pty) Ltd during 2017. The shares (200 000 shares representing 20%) were acquired on 1 September 2000 and additional shares (100 000 shares representing 10%) were acquired on 1 September 2003. On 1 February 2018 the University obtain 100% of the shares of the company. Refer to note 25 for more disclosures relating to the business combination.



NOTES TO THE CONSOLIDATED AND STAND ALONE FINANCIAL STATEMENTS for the year ended 31 December 2019

24.4 Related party transactions and balances

The following transactions were carried out by the University with related parties as disclosed under note 24.1.

Farmovs (F	Pty) Ltd	Sun Media (Pt	y) Ltd
2019	2018	2019	2018
R '000	R '000	R '000	R '00
769	321	1134	168
6 953	7 665	-	
36 994	1 914	-	
Lila Theroi	n Farm	Kovsie Alumni	e Trust
2019	2018	2019	201
R '000	R '000	R '000	R '00
292	159	1 653	144
10 777	10 101	-	
90	94	230	22

Services and rental income are based on normal commercial terms and conditions.

Payables to related parties arise mainly from purchase transactions. The payables bear no interest.

A loan was entered into between the University and Farmovs (Pty) Ltd on 1 October 2018. The loan bears interest at prime and is payable on demand. No security was provided for the loan.

Executive management are also deemed related parties of the University. Refer to note 21 for a list of all executive members and their remuneration during the financial year.



NOTES TO THE CONSOLIDATED AND STAND ALONE FINANCIAL STATEMENTS for the year ended 31 December 2019

25 Business Combinations

Accounting policy:

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred
- liabilities incurred to the former owners of the acquired business
- equity interests issued by the group
- fair value of any asset or liability resulting from a contingent consideration arrangement, and
- fair value of any pre-existing equity interest in the subsidiary.
- fair value of intangible asset resulting from e.g. customer contracts.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets. Acquisition-related costs are expensed as incurred.

The excess of the

- consideration transferred,
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity over the fair value of the net identifiable assets acquired is recorded as goodwill.

If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss. If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss.

25.1 Background

Farmovs (Pty) Ltd is a clinical research organisation involved in pharmaceutical contract research and operates principally in South Africa. The University had a 30% share in Farmovs (Pty) Ltd. On 1 February 2018 the University acquired the additional 70% shareholding from fellow shareholders who wanted to move its operations out of South Africa. The operations of Farmovs allign with the business of the University and compliments components of the research strategy. There the decision to acquire the remaining 70%.

There were no acquisitions in the year ending 31 December 2019.

25.2 Purchase consideration

Details of the purchase consideration, the net assets acquired and goodwill are as follows:

Purchase consideration

Fair value of consideration

Total purchase consideration

* less than R1000

25.3 The fair value of assets and liabilities recognised as a result of the acquisition are as follows:

	R '000
Property, plant and equipment	46 919
Deferred tax asset	9 583
Deferred tax liability	(3 271)
Finance lease non-current	(525)
Cash and cash equivalent	45 745
Current tax receivable	1 851
Trade and other receivables	11 803
Trade and other payables	(15 398)
Net identifiable assets acquired	96 707

D (000



NOTES TO THE CONSOLIDATED AND STAND ALONE FINANCIAL STATEMENTS for the year ended 31 December 2019

The customer base on date of acquisition were considered to determine if any intangible asset resulted from the business combination. No such assets were identified.

25.4 Gain on bargain purchase in the stand alone financial statements

On 1 February 2018, a deemed loss on disposal of associate of R19,780 million was recognised in profit and loss. This was calculated as the difference between the carrying value of the 30% investment as disclosed in note 24.3 and the FV of 30% of the consideration valued at R29 012 million.

	Note	R '000
Gain on bargain purchase		
Fair value of consideration paid	25.2	*
add: FV of 30% interest before acquisition		29 012
less: Net Assets (Fair value)	25.3	96 707
less: Adjustment to interest before acquisition		13 596
Gain on bargain purchase		(81 291)
* less than R1000		

The gain on bargain purchase was mainly attributable to the physical assets and the cash of the company obtained, when fellow shareholders wanted to move its operations from the country.

25.5 Revenue and profit / (loss) contribution

The acquired business contributed revenues of R79,372m and a net loss of R15,127m to the group for the period from 1 February to 31 December 2018.

25.6 Purchase consideration - cash outflow

Purchase consideration - cash outflow	R '000
Outflow of cash to acquire subsidiary, net of cash acquired	
Cash consideration paid	•
Less: Balances acquired	
Cash	45 745
Bank overdraft	
Net inflow of cash - investing activities	(45 745)

^{*} less than R1000



NOTES TO THE CONSOLIDATED AND STAND ALONE FINANCIAL STATEMENTS for the year ended 31 December 2019

Unrecognised items

This section of the notes provides information about items that are not recognised in the financial statements as they do not (yet) satisfy the recognition criteria.

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30.	Summary of significant accounting policies not disclosed elsewhere	212 - 214



NOTES TO THE CONSOLIDATED AND STAND ALONE FINANCIAL STATEMENTS for the year ended 31 December 2019

26. Commitments

Capital commitments

Group	University	Group	University
2019	2019	2018	2018
R '000	R '000	R '000	R '000

Significant capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

Property, plant and equipment 195 428 195 428 96 159 138 125

These expenditure will be funded from existing financial resources and a portion of these capital commitments will be funded from future Government Grants for infrastructure.

27. Events after reporting date

The existence of an unknown virus contracted in a limited number of cases in China was reported at 31 December 2019 to the World Health Organisation. The subsequent spread of the virus and the crippling effect on the economy became known after year-end and thus this is deemed a non-adjusting event. An internal task team were established to investigate the effect of Covid-19 on the revenue streams of the University, as well as establish any additional funding needs that could arise in the effort to combat the virus and to comply to various health regulations.

After careful consideration of the findings of the task team, the University is of the opinion that the going concern status of the University should not be compromised in the twelve months following the year-end. The main revenue streams of the University, which is state appropriations and NSFAS funding of all poor students with a household income of not more than R350 000, stay unaffected by the pandemic and change in the economic environment. The University's greatest risk remain income generated from non-NSFAS students and our ability to recover outstanding student fees relating to 2019. A revised budget, with adjusted assumptions to reflect identified risks, as well as additional funding needs, were drafted. The university also implemented various cost savings measurements. This include a 6% cut in operating budgets for 2019 and reallocation of funding reserved for strategic projects. With consideration of the above, the institution is still able to budget for a surplus.

28. Change in estimate

During 2019, Managements estimates of Residual values of buildings changed. A formal conditional assessment of buildings by independent Quantity Surveyors Firms is used as a basis for the University's building maintenance plan. The basis of this plan is to ensure that all buildings are maintained to the extend that the value of no building decreases below 50% of it's cost price. Therefore the residual values of buildings were adjusted accordingly.

The effect of these changes in estimates were that annual depreciation on buildings reduced by R38,734,997.

29. Contingent liabilities

At year a possible contingent liability ranging between R5 million and R7 million exist. The University's management consider the likelihood of the actions against the University being successful as unlikely.



NOTES TO THE CONSOLIDATED AND STAND ALONE FINANCIAL STATEMENTS for the year ended 31 December 2019

30. Summary of significant accounting policies not disclosed in individual notes above

Foreign currency translation 30.1

30.1.1 Functional and presentation currency

Items included in the financial statements of each of the University's entities are measured using the currency of the primary economic environment in which the University operates ('the functional currency'). The consolidated financial statements are presented in South African Rand (R), which is the University's functional and presentation currency.

30.1.2 Transaction and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income, except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the statement of comprehensive income within "finance income or cost". All other foreign exchange gains and losses are presented in the statement of comprehensive income within "other (losses) / gains - net".

Changes in the fair value of monetary securities denominated in foreign currency classified as available for sale are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in the amortised cost are recognised in profit / loss, and other changes in the carrying amount are recognised in equity.

30.2 Principals of consolidation

30.2.1 Subsidiaries

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the group (refer to note 24).

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss, statement of comprehensive income, statement of changes in equity and balance sheet respectively.



NOTES TO THE CONSOLIDATED AND STAND ALONE FINANCIAL STATEMENTS for the year ended 31 December 2019

30.2.2 Associates

Associates are all entities over which the group has significant influence but not control or joint control. This is generally the case where the group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting (see (iv) below), after initially being recognised at cost.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the statement of comprehensive income within "finance income or cost". All other foreign exchange gains and losses are presented in the statement of comprehensive income within "other (losses) / gains - net".

Changes in the fair value of monetary securities denominated in foreign currency classified as available for sale are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in the amortised cost are recognised in profit / loss, and other changes in the carrying amount are recognised in equity.

30.2.3 Joint arrangements

Under IFRS 11 Joint Arrangements investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. The university does not have any joint operations and joint ventures.

30.2.4 Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses of the investee in profit or loss, and the group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

When the group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the group and its associates and joint ventures are eliminated to the extent of the group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the group.

The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in note 19.

30.2.5 Changes in ownership interests

When the group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate. When the group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.



NOTES TO THE CONSOLIDATED AND STAND ALONE FINANCIAL STATEMENTS for the year ended 31 December 2019

30.3 Funds and reserves

30.3.1 Unrestricted funds

The unrestricted funds reflect the University's subsidised activities and also includes the tuition fees. Additions to these funds mainly comprise formula-subsidy, tuition fees and the sales and services of educational activities, as well as transfers from other funds to finance expenditure.

Expenditure mainly comprises direct expenses in academic departments for training, research and community service, as well as other support service expenses, such as academic administration, library facilities, bursaries and loans. Institutional expenses, such as expenses incurred for the executive, student services, information technology and operating costs regarding land and buildings, are also recorded here. The budget of the University, as approved by Council, finds expression in this fund.

30.3.2 Restricted funds

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

30.3.3 Council designated funds

These funds fall under the absolute discretion and control of Council, but are designated for a specific purpose in order to support the achievement of strategic goals within the group.

30.3.4 Non-distributable funds

Non-distributable funds are further categorised into property, plant and equipment fund and available-for-sale reserve. The available-for-sale reserve have been reclassified in 2018 due to the change in IFRS 9 to a Fair value through profit and loss reserve, which forms part of council designated funds.

UNIVERSITY OF THE FREE STATE

SUPPLEMENTARY FINANCIAL STATEMENT 1 NON-CURRENT AND CURRENT INVESTMENTS as at 31 December 2019 (all amounts in R'000)

GROUP

TYPE OF INVESTMENT Non-current investments Government stocks/bonds Shares (listed) Other Current investments Futures	Book value at beginning of the year 849 902 1554 769 1224 284	Market value at beginning of the year 887 317 1512 401 1695 526	Cost of additions during the year 5.25 6.02 7.16 2.08 7.05 6.55 85 478	Total withdrawals during the year (499 168) (581 008) (644 853)	Surplus/Deficit on disposal of investments (2 928)	Increase/ Decrease on market value 23 167 (2 971) 224 876 (11 078)	Book value at Year-end 876 336 1689 969 1285 086	Market-/ Estimated realisable value 936 918 1 644 629 1 981 205	Total income received
Other	1179 697	1179 786	1710 006	(1679 771)	ı	493	1 209 932	1 210 514	111 921
TOTAL	4 798 630	5 275 722	3 742 949	(3 480 068)	(36 840)	234 486	5 061 512	5 773 090	265 315

This statement is unaudited and does not form part of the consolidated or stand alone financial statements.



SUPPLEMENTARY FINANCIAL STATEMENT 2 NON-CURRENT AND CURRENT BORROWINGS as at 31 December 2019

TYPE OF BORROWING	TOTAL R'000	AMOUNTS PAYABLE WITHIN ONE YEAR R'000
Banking institutions	(185 769)	-
TOTAL	(185 769)	-

This statement is unaudited and does not form part of the consolidated or stand alone financial statements





Compiled by

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