Consolidated and Separate Annual Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2019

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Statement of Responsibility of the Members of Council

FOR THE YEAR ENDED 31 DECEMBER 2019

The Council is responsible for the maintenance of adequate accounting records and preparation, integrity and fair presentation of the consolidated and separate financial statements of the University of Johannesburg and its subsidiaries. The auditors are responsible for reporting on the fair presentation of the consolidated and separate annual financial statements.

The consolidated and separate financial statements presented on pages 470 to 547 of this Annual Report for 2019 have been prepared in accordance with International Financial Reporting Standards, and the requirements of the Higher Education Act of South Africa as amended, and include amounts based on judgements and estimates made by management. The Council has also prepared other information as required to be included in this Annual Report and is responsible for both its accuracy and consistency with the consolidated and separate financial statements.

The going concern basis has been adopted in the preparation of the consolidated and separate financial statements. The Council has no reason to believe that the University of Johannesburg and its subsidiaries is not a going concern in the foreseeable future based on forecasts and available cash resources. The viability of the institution is supported by the content of the consolidated and separate annual financial statements.

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

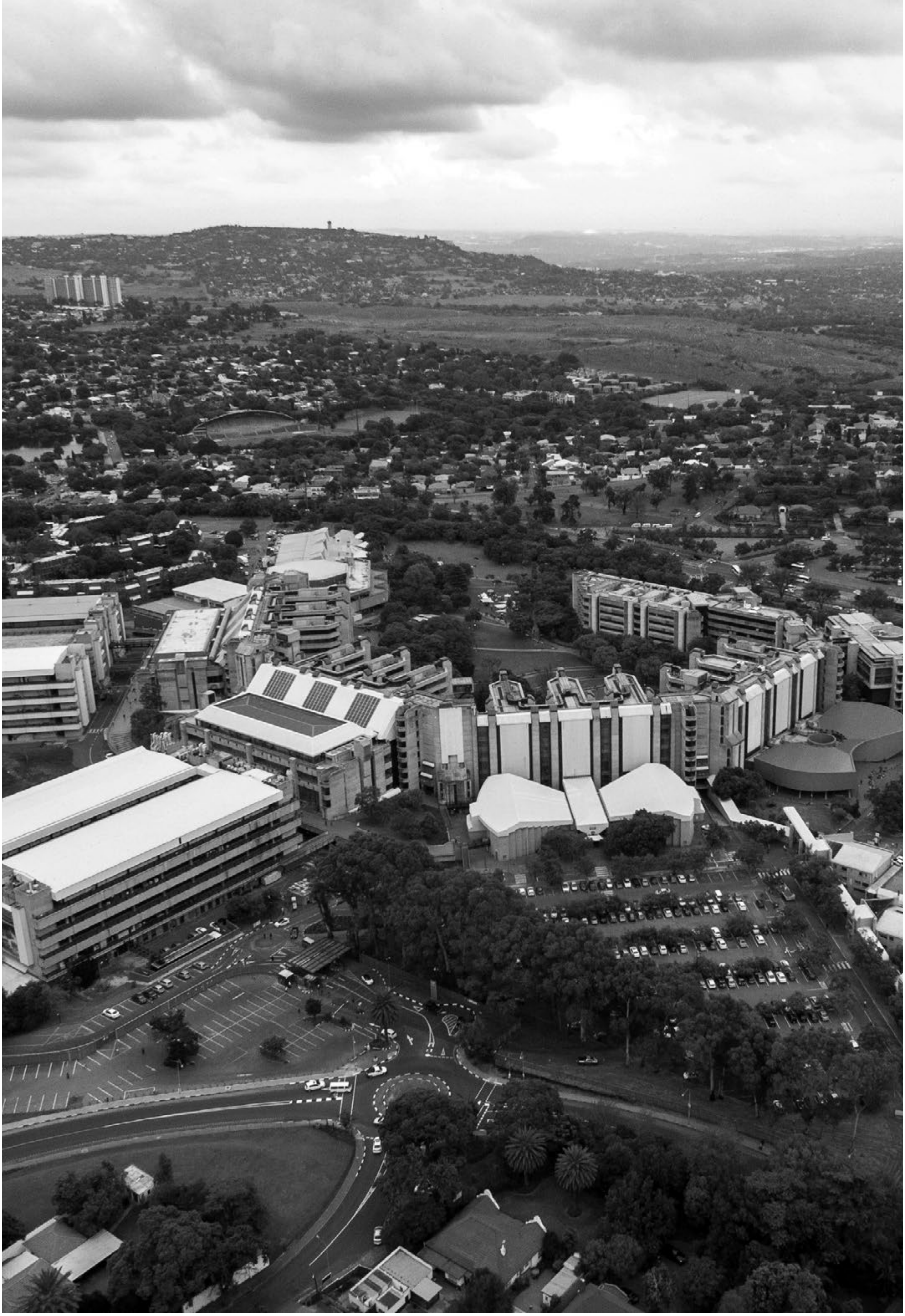
APPROVAL OF THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS

The consolidated and separate financial statements presented on pages 470 to 547 of this Annual Report were approved by the Council on 11 June 2020 and signed on its behalf by:

MS Teke
Chair of Council

T Marwala (Prof)
Vice-Chancellor and Principal

N Mamorare
Chief Financial Officer



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REPORT OF THE INDEPENDENT AUDITORS TO THE MINISTER OF HIGHER EDUCATION AND TRAINING AND THE COUNCIL OF THE UNIVERSITY OF JOHANNESBURG

REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS

Opinion

We have audited the consolidated and separate annual financial statements of the University of Johannesburg and its subsidiaries (the group) set out on pages 470 to 547 , which comprise the consolidated and separate statement of financial position as at 31 December 2019 and the consolidated and separate statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows as well as the notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated and separate annual financial statements present fairly, in all material respects, the consolidated and separate financial position of the University of Johannesburg as at 31 December 2019, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Higher Education Act of South Africa, 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 separate annual financial statements section of our 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.

Responsibilities of Council for the annual financial statements

The council is responsible for the preparation and fair presentation of the consolidated and separate annual financial statements in accordance with International Financial Reporting Standards and the requirements of the Higher Education Act and for such internal control as the council determines is necessary to enable the preparation of consolidated and separate annual financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's responsibilities for the audit of the consolidated and separate annual financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate annual 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate annual financial statements.

A further description of our responsibilities for the audit of the consolidated and separate 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 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:

Strategic Objectives	**Pages in the annual performance report**
Strategic Objective 1: Excellence in Research and Innovation - Total number of accredited research output units (n-1) - Academic staff with doctorate	73

Strategic Objectives	Pages in the annual performance report
Strategic Objective 2: Excellence in Teaching and Learning - Total headcount enrolment - First-time entering undergraduates - UG: Degrees - Degree credit success rates (n-1) - Total graduation rate and output (n-1) - UG graduation rate and output (n-1) - PG Output	75
Strategic Objective 6: Fitness for Global Excellence and Stature - Balanced annual budget and five-year financial plan	76

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 identify any material findings on the usefulness and reliability of the reported performance information for these objectives.

Achievement of planned targets

Refer to the annual performance report on page(s) 72 to 76 for information on the achievement of planned targets for the year and explanations provided for the under/overachievement of a number of targets.

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 identify material findings on compliance with the specific matters in key legislation as 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 obtained at the date of this auditor's report comprises the information included in the document titled "University of Johannesburg Annual Report 2019". The other information does not include the consolidated and separate annual financial statements, the auditor's report and those selected objectives presented in the annual performance report that have been specifically reported on in this auditor's report.

Our opinion on the financial statements and 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 separate annual 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 on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of 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 separate annual financial statements, reported performance information and compliance with applicable legislation; however, our objective was not to express any form of assurance thereon. We did not identify any significant deficiencies in internal control.

OTHER REPORTS

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

Audit-related services and special audits - Agreed-upon procedures

Agreed-upon procedures on certificates were performed for grants, other funding and similar items. Below is the list of Agreed-upon procedures engagements performed or are in the process of being performed in relation to 2019.

Engagement name	Description of engagement	Period-end	Name of party performing the engagement	Status	Expected date of issuing report
Financial data of DHET	Verification of financial data from the annual financial statements.	31/12/2019	PwC	Completed	7 July 2020
Research Articles	Verification of research journals.	31/12/2019	PwC	Completed	29 June 2020
HEMIS	Verification of various information relating to the HEMIS submission to DHET.	31/12/2019	PwC	In progress. Not yet due.	July 2020
NRF	Verification procedures performed over the grant received from National Research Foundation and its correct utilization.	31/12/2019	SizweNtsaluba Gobodo Grant Thornton	Completed	06/03/2020
Confucius Institute	Verification procedures performed over the grant received from the Institute and its correct utilization.	31/12/2019	SizweNtsaluba Gobodo Grant Thornton	In progress. Not yet due.	29/07/2020
OSISA Grant	Verification procedures performed over the grant received from the Institute and its correct utilization.	31/3/2020	SizweNtsaluba Gobodo Grant Thornton	In progress. Not yet due.	July 2020

UIQAF grant	Verification procedures performed over the grant received from the DHET and its correct utilization.	31/3/2020	SizweNtsaluba Gobodo Grant Thornton	In progress. Not yet due.	July 2020
Health Science Clinical Enrolment	Verification procedures performed over the grant received and its correct utilization.	31/12/2019	SizweNtsaluba Gobodo Grant Thornton	In progress. Not yet due.	29/7/2020
DHET Infrastructure Audit	Verification procedures performed over the grant received from DHET and its correct utilization.	31/03/2020	SizweNtsaluba Gobodo Grant Thornton	In progress. Not yet due.	July 2020
NGap	Verification procedures performed over the grant received from DHET relating to New Generation of Academics Programme and its correct utilization.	31/03/2020	SizweNtsaluba Gobodo Grant Thornton	In progress. Not yet due.	July 2020
Foundation provision grant	Verification procedures performed over the grant received from DHET and its correct utilization.	31/03/2020	SizweNtsaluba Gobodo Grant Thornton	In progress. Not yet due.	July 2020
Centre for competition Regulation and economic development (CCRED)	Verification procedures performed over the grant received from DTI and its	31/03/2020	SizweNtsaluba Gobodo Grant Thornton	Completed	24/04/2020

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	correct utilization.				
Teaching Development Collaboration Grant	Verification procedures performed over the grant received from DHET and its correct utilization.	31/03/2020	SizweNtsaluba Gobodo Grant Thornton	Completed	June 2020
Health Science Clinical Grant	Verification procedures performed over the grant received and its correct utilization.	31/03/2020	SizweNtsaluba Gobodo Grant Thornton	Completed	June 2020
TIA (Technology Innovation Agency)	Verification procedures performed over the grant received from the Technology Innovation Agency and its correct utilization	31/03/2020	SizweNtsaluba Gobodo Grant Thornton	In progress. Not yet due.	July 2020
University Capacity Development Programme (UCDP)	Verification procedures performed over the grants received from DHET and its correct utilization	31/12/2019	SizweNtsaluba Gobodo Grant Thornton	Completed	28/2/2020

PricewaterhouseCoopers Inc.

PricewaterhouseCoopers Inc.
Director: R. Ramdhany
Registered Auditor
Johannesburg
7 July 2020

Annexure – Auditors' responsibility for the audit

1. 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 separate annual 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.

Annual Financial statements

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

    - identify and assess the risks of material misstatement of the consolidated and separate annual 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.
    - conclude on the appropriateness of the council'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 Johannesburg 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 to continue 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

3. 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.
4. 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.

Statements of Financial Position

Figures in R `000	Notes	Consolidated 2019	Consolidated 2018	University 2019	University 2018
Assets					
Non-current assets					
Property, plant and equipment	6	2,520,466	2,373,280	2,383,634	2,240,782
Intangible assets	7	12,484	14,428	12,481	10,152
Investments in subsidiaries, joint ventures and associates	8	19,621	24,511	104,001	118,981
Financial assets at fair value through profit or loss	11	3,831,353	3,468,682	2,986,661	2,712,724
Long term employee benefits	17	64,321	62,182	64,321	62,182
Total non-current assets		**6,448,245**	**5,943,083**	**5,551,098**	**5,144,821**
Current assets					
Inventories	9	4,441	4,648	4,441	4,648
Trade and other receivables	10	398,666	466,379	394,837	448,710
- Student fees		169,993	248,358	165,802	243,892
- Other receivables		228,673	218,021	229,035	204,818
Cash and cash equivalents	12	1,531,626	1,291,899	1,513,519	1,254,702
Total current assets		**1,934,733**	**1,762,926**	**1,912,797**	**1,708,060**
Total assets		**8,382,978**	**7,706,009**	**7,463,895**	**6,852,881**
Equity and liabilities					
Equity					
Non-distributable reserves		**2,530,668**	**2,377,066**	**2,393,834**	**2,248,023**
Funds invested in property, plant and equipment		2,530,668	2,377,066	2,393,834	2,248,023
Reserve funds		**3,900,889**	**3,307,239**	**3,118,047**	**2,607,450**
Restricted use funds		*1,266,015*	*1,003,743*	*556,460*	*535,705*
Student residences funds		145,400	124,804	145,399	124,803
Trust/donor/bursary funds		1,120,615	878,939	411,061	410,902
Unrestricted use funds		*2,634,874*	*2,303,496*	*2,561,587*	*2,071,745*
Designated/committed funds		911,253	727,409	911,253	727,409
Undesignated funds		1,723,620	1,576,087	1,650,333	1,344,336
Total equity		**6,431,557**	**5,684,305**	**5,511,881**	**4,855,473**
Liabilities					
Non-current liabilities					
Trade and other payables	13	63,626	49,872	63,626	49,872
Borrowings	15	1,673	2,283	1,673	2,283
Deferred income	16	274,275	113,492	274,275	113,492
Long term employee benefit obligation	17	245,118	266,891	245,118	266,891
Total non-current liabilities		**584,692**	**432,538**	**584,692**	**432,538**

Statements of Financial Position

Figures in R `000	Notes	Consolidated 2019	Consolidated 2018	University 2019	University 2018
Current liabilities					
Trade and other payables	13	1,092,174	1,192,760	1,098,023	1,182,294
Student deposits and accounts in credit	14	178,782	227,005	173,526	220,901
Borrowings	15	610	8,354	610	628
Deferred income	16	95,163	161,047	95,163	161,047
Total current liabilities		**1,366,729**	**1,589,166**	**1,367,322**	**1,564,870**
Total liabilities		**1,951,421**	**2,021,704**	**1,952,014**	**1,997,408**
Total equity and liabilities		**8,382,978**	**7,706,009**	**7,463,895**	**6,852,881**

Statements of Profit or Loss and Other Comprehensive Income

Figures in R `000	Notes	Consolidated 2019	Consolidated 2018	University 2019	University 2018
Revenue		**4,602,298**	**4,005,985**	**4,593,294**	**3,992,775**
State appropriations - subsidies and grants	18	2,447,941	1,945,660	2,447,941	1,945,660
Tuition and other fee income	19	1,958,361	1,850,296	1,948,794	1,837,086
Research income		195,996	210,029	196,559	210,029
Other operating income	20	358,253	394,762	339,695	390,336
Operating income		**4,960,551**	**4,400,747**	**4,932,989**	**4,383,111**
Personnel costs	21	(2,789,945)	(2,548,762)	(2,753,685)	(2,509,025)
Depreciation	6	(104,725)	(104,811)	(114,070)	(101,313)
Amortisation	7	(3,559)	(7,415)	(3,529)	(7,372)
Bursaries awarded	22	(479,423)	(440,915)	(479,423)	(440,915)
Other expenses	23	(1,388,313)	(1,330,568)	(1,384,163)	(1,351,109)
Operating surplus/(deficit)		**194,586**	**(31,724)**	**198,119**	**(26,623)**
Impairment (losses)	24	(150)	(15)	(150)	(14,841)
Finance income	25	36,055	27,623	34,214	26,021
Finance costs	26	(4,986)	(6,199)	(5,038)	(4,655)
Income from investments	27	268,861	242,581	234,870	208,792
Investments fair value gains/(losses)	28	214,568	(206,731)	156,075	(148,372)
Surplus for the year		**708,934**	**25,535**	**618,090**	**40,322**
Items that will not be subsequently reclassified to profit or loss					
Actuarial gains on defined benefit plans		38,318	12,503	38,318	12,503
Total comprehensive income		**747,252**	**38,038**	**656,408**	**52,825**
Surplus for the year attributable to:					
- University		708,934	25,535	618,090	40,322
		708,934	**25,535**	**618,090**	**40,322**
Comprehensive income attributable to:					
- University		747,252	38,038	656,408	52,825
		747,252	**38,038**	**656,408**	**52,825**

Statements of Changes in Equity - Consolidated

Figures in R `000	Undesignated Funds	Designated / Committed Funds	Total Unrestricted use funds	Trust / Donor / Bursaries Funds	Student Residence Funds	Total Restricted use funds	Non-controlling interest	Non-Current Investment Revaluation	Funds invested in Property, Plant and Equipment	TOTAL
Consolidated										
Balance as at 01 January 2019	1,576,087	727,409	2,303,496	878,939	124,804	1,003,743	-	-	2,377,066	5,684,305
Surplus for the year	570,396	-	570,396	111,791	26,747	138,538	-	-	-	708,934
Actuarial gains and (losses) on defined benefit plans	38,318	-	38,318	-	-	-	-	-	-	38,318
Total comprehensive income	**608,714**	**-**	**608,714**	**111,791**	**26,747**	**138,538**	**-**	**-**	**-**	**747,252**
Movement in funds	(461,180)	183,844	(277,336)	129,885	(6,151)	123,734	-	-	153,602	-
Balance as at 31 December 2019	**1,723,620**	**911,253**	**2,634,874**	**1,120,615**	**145,400**	**1,266,015**	**-**	**-**	**2,530,668**	**6,431,557**
Balance as at 01 January 2018	925,609	749,973	1,675,582	986,071	112,374	1,098,445	1	603,648	2,250,279	5,627,955
Transfer due to change in accounting policy	645,512	-	645,512	-	-	-	-	(603,648)	-	41,864
Surplus for the year	66,354	-	66,354	(41,765)	946	(40,819)	-	-	-	25,535
Actuarial gains and (losses) on defined benefit plans	12,503	-	12,503	-	-	-	-	-	-	12,503
Total comprehensive income	**724,369**	**-**	**724,369**	**(41,765)**	**946**	**(40,819)**	**-**	**(603,648)**	**-**	**79,902**
Movement in funds	(73,891)	(22,564)	(96,455)	(65,367)	11,484	(53,883)	(1)	-	126,787	(23,552)
Balance as at 31 December 2018	**1,576,087**	**727,409**	**2,303,496**	**878,939**	**124,804**	**1,003,743**	**-**	**-**	**2,377,066**	**5,684,305**

Statements of Changes in Equity - University

Figures in R `000	Undesignated Funds	Designated / Committed Funds	Total Unrestricted use funds	Trust / Donor / Bursaries Funds	Student Residence Funds	Total Restricted use funds	Non-Current Investment Revaluation	Funds invested in Property, Plant and Equipment	TOTAL
University									
Balance as at 01 January 2019	1,344,336	727,409	2,071,745	410,902	124,803	535,705	-	2,248,023	4,855,473
Surplus for the year	568,276	-	568,276	17,003	32,811	49,814	-	-	618,090
Actuarial gains and (losses) on defined benefit plans	38,318	-	38,318	-	-	-	-	-	38,318
Total comprehensive income	**606,594**	**-**	**606,594**	**17,003**	**32,811**	**49,814**	**-**	**-**	**656,408**
Movement in funds	(300,596)	183,844	(116,752)	(16,844)	(12,215)	(29,059)	-	145,811	-
Balance as at 31 December 2019	**1,650,333**	**911,253**	**2,561,587**	**411,061**	**145,399**	**556,460**	**-**	**2,393,834**	**5,511,881**
Balance as at 01 January 2018	873,320	749,973	1,623,293	431,410	112,373	543,783	431,390	2,162,318	4,760,784
Transfer due to change in accounting policy	473,254		473,254			-	(431,390)		41,864
Surplus for the year	50,382	-	50,382	(12,154)	2,094	(10,060)	-	-	40,322
Actuarial gains and (losses) on defined benefit plans	12,503	-	12,503	-	-	-	-	-	12,503
Total comprehensive income	**536,139**	**-**	**536,139**	**(12,154)**	**2,094**	**(10,060)**	**(431,390)**	**-**	**94,689**
Movement in funds	(65,123)	(22,564)	(87,687)	(8,354)	10,336	1,982	-	85,705	-
Balance as at 31 December 2018	**1,344,336**	**727,409**	**2,071,745**	**410,902**	**124,803**	**535,705**	**-**	**2,248,023**	**4,855,473**

Notes:
1. "Unrestricted Use" funds available as referred to in note 3.
2. "Restricted Use" funds available as referred to in note 3.
3. "Non-Current Investment Revaluation" and "Funds invested in Property, Plant and Equipment" are Non-Distributable Reserves.
4. "Transfers between funds" include funds reclassified for projects and initiatives approved by the Council, amongst others.

Statements of Cash Flows

Figures in R `000	Notes	Consolidated 2019	Consolidated 2018	University 2019	University 2018
Net cash flows from operations	31	**301,581**	**708,204**	**318,219**	**703,078**
Interest paid	26	(4,986)	(6,199)	(5,038)	(4,655)
Interest received	25	36,055	27,623	34,214	26,021
Net cash flows from operating activities		**332,650**	**729,628**	**347,395**	**724,444**
Cash flows (used in) / from investing activities					
(Increase)/Decrease in loans to related parties	29	6,186	(5,972)	804	(14,216)
Interest income	27	217,896	185,037	201,724	168,890
Dividends income	27	50,965	57,544	33,146	39,902
Proceeds from sales of property, plant and equipment	31	1,005	1,685	1,005	1,591
Purchase of property, plant and equipment	6	(232,497)	(236,230)	(257,428)	(190,519)
Proceeds/Purchases of intangible assets	7	(1,470)	4,510	(5,842)	(4,253)
Purchase of other financial assets	11	(2,457,483)	(1,501,995)	(2,001,764)	(1,268,544)
Proceeds from disposal of other financial assets		2,330,829	1,505,842	1,940,405	1,286,710
Cash flows (used in) / from investing activities		**(84,569)**	**10,421**	**(87,950)**	**19,561**
Cash flows used in financing activities					
Repayments of borrowings	15	(8,354)	(6,824)	(628)	(564)
Cash flows used in financing activities		**(8,354)**	**(6,824)**	**(628)**	**(564)**
Net increase in cash and cash equivalents		**239,727**	**733,226**	**258,817**	**743,442**
Cash and cash equivalents at beginning of the year		1,291,899	558,673	1,254,702	511,260
Cash and cash equivalents at end of the year	**12**	**1,531,626**	**1,291,899**	**1,513,519**	**1,254,702**

Accounting Policies

1. General information

The consolidated and separate financial statements were authorised for issue by the Council on 11 June 2020.

The University of Johannesburg is a Higher Education Institution governed by the Higher Education Act 1997 (Act no 101 of 1997 as amended) and is domiciled in South Africa.

The university is incorporated as a University and domiciled in South Africa. The address of its registered office is Cnr University and Kingsway Roads, Auckland Park.

2. Basis of preparation and summary of significant accounting policies

The principal accounting policies adopted by the University of Johannesburg and its subsidiaries are set out below. These policies have been applied consistently to all the years presented, unless otherwise stated. The financial statements are presented in South African Rand (thousands, except as disclosed in note 34 which is not in thousands).

The consolidated and separate financial statements of the University of Johannesburg and its subsidiaries have been prepared in accordance with International Financial Reporting Standards, and the requirements of the Minister of Higher Education and Training as prescribed by the Higher Education Act, 1997 (Act No. 101 of 1997) as amended ("IFRS").

The financial statements have been prepared on a historical cost basis, except for the following:

- certain financial assets – measured at fair value, and
- defined benefit pension plans – plan assets measured at fair value.

The preparation of financial statements in conformity with International Financial Reporting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated and separate financial statements are disclosed in note 4.

Going concern

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

In light of the COVID-19 pandemic, several scenarios were modelled on potential impact on cash projections as well as financial sustainability. It is anticipated that the University will still be able to continue as a going concern for the foreseeable future. The worst case scenario would emanate in the instance of government diverting funds to areas directly affected by effects of the pandemic, e.g. Health and thus no longer make subsidy payments. This decision will have a direct impact on the cash position of the University however considered a remote possibility given that no pronouncements have been made as yet by government.

2.1 Consolidation

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 over 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.

Accounting Policies

Basis of preparation and summary of significant accounting policies continued...

The group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

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 re- measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss .

Inter- entity transactions, balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform with the group's accounting policies.

Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

Disposal of subsidiaries

When the group ceases to have control any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is 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 surplus/deficit.

Associates

Associates are all entities over which the group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The group's investment in associates includes goodwill identified on acquisition.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

The group's share of post- acquisition profit or loss is recognised in the statements of profit or loss and other comprehensive income, and its share of post- acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

Basis of preparation and summary of significant accounting policies continued...

The group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to share of profit/(loss) of associates in the statements of profit or loss and other comprehensive income.

Profits and losses resulting from upstream and downstream transactions between the group and its associate are recognised in the group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the group.

Dilution gains and losses arising in investments in associates are recognised in the statements of profit or loss and other comprehensive income.

2.2 Foreign currency translation

Functional and presentation currencies
Items included in the consolidated and separate 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 and separate financial statements are presented in South African Rand (‘R’) which is both the University’s functional and presentation currency.

Transactions 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 profit or loss.

All foreign exchange gains and losses are presented in the statement of profit or loss and comprehensive income within ‘other operating expenses’.

2.3 Property, plant and equipment

An item of property, plant and equipment that qualifies for recognition as an asset is initially measured at its cost.

The cost of an item of property, plant and equipment includes:
- its purchase price, including import duties and non- refundable purchase taxes, after deducting trade discounts and rebates.
- any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.
- the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

After initial recognition, property, plant and equipment is measured at cost less any accumulated depreciation and any accumulated impairment losses.

Subsequent expenditure incurred on items of property, plant and equipment is only capitalised to the extent that such expenditure enhances the value or previous capacity of those assets. Repairs and maintenance not deemed to enhance the economic benefit or service potential of items of property, plant and equipment are expensed as incurred.

Accounting Policies

Basis of preparation and summary of significant accounting policies continued...

Where the entity replaces parts of an asset, it derecognises the part of the asset being replaced and capitalises the new component.

Depreciation of an asset commences when it is available for use, and ceases at the earlier of the date that the asset is classified as held for sale, or the date that the asset is derecognised.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line basis to write down the cost less residual value of each asset over its estimated useful life, as follows:

Category	**Years**
Buildings	80 years
Building Lifts	40 years
Air-conditioner plants	20 years
Electric generators	20 years
Air-conditioners	15 years
Uninterrupted power supply	15 years
Furniture and equipment (including gas boilers)	10 to 14 years
Computer equipment	7 years
Vehicles	12 years
Network and mainframe computer equipment	6 years

Material improvements to buildings, plant and equipment are capitalised while maintenance and repair work is charged to the statement of profit or loss and comprehensive income in the financial period in which it is incurred. It is policy that the university only capitalise assets with a value in excess of R10 000 (2018 : R15 000), any other assets are expensed in the year that they are acquired.

The residual values and useful lives of assets are reviewed, and adjusted, if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in operating surplus/(losses).

2.4 Intangible assets

a) Artwork

Acquired artwork is capitalised on the basis of the costs incurred to acquire and bring the specific artwork into use. It is subsequently measured at historical cost less accumulated impairment losses. Artwork acquired by way of a donation is measured at a nominal value plus any costs incurred to bring the specific artwork into use. Artwork has an indefinite useful life and is tested annually for impairment.

b) Computer software

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring the specific software to use. These costs are amortised over their estimated useful lives of three years, on the straight line basis.

Accounting Policies

Basis of preparation and summary of significant accounting policies continued...

Impairments

Assets that have an indefinite useful life, for example artwork, are not subject to amortisation and depreciation and are tested annually for impairment. Assets that are subject to amortisation and depreciation 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 cost to sell, and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

2.5 Financial Assets

From 1 January 2018, the University 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 purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

a) Trade and other receivables

The University classifies its financial assets at amortised cost only if both of the following criteria are met:

- the asset is held within a business model with the objective of collecting the contractual cash flows, and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding.

They are included in current assets, except for maturities greater than 12 months after the reporting date, which are classified as non-current assets.

The University's trade receivables comprise student receivables, which are amounts due by customers for the services performed in the ordinary course of business. The University holds student receivables with the objective to collect the contractual cash flows and therfore measures them subsequently at amortised cost using the effective interest method.

Other receivables are amounts that generally arise from transactions outside the usual operating activities of the University.

b) Fair value financial assets through profit and loss

The University classifies the financial assets as fair value through profit or loss, as the cash flows from the instruments are not soley payments of principle and interest. They are included in non-current assets unless the University intends to dispose of the investment within 12 months of the reporting date.

Mandated external investment managers carry out the investment of the University's funds. The funds are managed in three separate Balanced Fund Portfolios. The main objective of these portfolios is long term growth.

Recognition and measurement

Financial assets are recognised on the trade date, which is the date that the University commits to purchase or sell the asset. Financial assets are initially recognised at fair value plus transaction costs. Financial assets are subsequently carried at fair value through profit or loss. Changes in the fair value of financial assets at fair value through profit or loss are recognised in other gains/(losses) in the statement of profit or loss and other comprehensive income as applicable. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the University has transferred substantially all risks and rewards of ownership.

Accounting Policies

Basis of preparation and summary of significant accounting policies continued...

The fair value of investments is based on quoted closing prices as this is most representative of fair value in the circumstance.

Dividends on investments are recognised in the statement of profit or loss and comprehensive income as part of other income when the University's right to receive payments is established.

Impairment of financial assets

(a) Assets carried at amortised cost

The University applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade and other receivables.

Trade and other 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 non-registration of a student, the failure of a debtor to engage in a repayment plan with the University, and a failure to make contractual payments resulting in a breach of contract.

Impairment losses on trade and other receivables are presented as net impairment losses within the statement of profit or loss and comprehensive income. When a trade or other receivable is uncollectible, it is written off against the provision for impairment.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease is due to a change in assumption, the reversal of the previously recognised impairment loss is recognised in the statement of profit or loss and comprehensive income.

Offsetting financial instruments

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

2.6 Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash in hand, deposits held at call with banks and investments in money market instruments, net of bank overdrafts. In the statement of financial position, bank overdrafts are included in borrowings under current liabilities.

2.7 Trade and other payables

Trade payables are current obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Trade payables are measured initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.8 Inventories

Inventories are shown at the lower of cost and net realisable value. The cost price is determined on the first-in-first-out basis. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling costs. Inventories comprise consumables and study materials.

Accounting Policies

Basis of preparation and summary of significant accounting policies continued...

2.9 Tax

The University is exempt from income tax in terms of Section 10(1)(cN) of the Income Tax Act. Subsidiary entities are not exempt from tax and are liable for normal South African Income Tax.

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neitheraccounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. A deferred tax asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for the carry forward of unused tax losses and unused STC credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused STC credits can be utilised. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

2.10 Leases

The University has applied IFRS16 for the first time for their annual reporting period commencing 1 January 2019.

The University 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. This is disclosed in note 35.

The University leases various buildings and vehicles. Rental contracts are typically made for fixed periods of 6 months to 4 years. Contracts may contain both lease and non-lease components. The University allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the University is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.
Until the 2018 financial year, leases of property, plant and equipment were classified as either finance leases or operating leases. From 1 January 2019, leases are recognised as a right-of-use asset (ROU) and a corresponding liability at the date at which the leased asset is available for use by the University.

Basis of preparation and summary of significant accounting policies continued...

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable,
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date,
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date,
- the exercise price of a purchase option if the University is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the University exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the University, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability,
- any lease payments made at or before the commencement date less any lease incentives received,
- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the University is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. While the University revalues its land and buildings that are presented within property, plant and equipment, it has chosen not to do so for the right-of-use buildings held by the University.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight- line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture, which has an individual asset cost below R100 000.

2.11 Provisions and contingencies

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

Provisions for legal claims are recognised when the University has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Accounting Policies

Basis of preparation and summary of significant accounting policies continued...

A contingent liability is:

- a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or
- a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

Contingent assets and liabilities are not recognised, but details are disclosed in the notes to the annual financial statements.

2.12 Revenue

Revenue mainly comprises the fair value of the consideration received or receivable for the rendering of services in the ordinary course of the University's activities. Revenue is shown net of value- added tax, rebates and discounts and after eliminating internal income within the group.

The University recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the University and when specific criteria have been met for each of the University's activities as described below. The amount of revenue is not considered to be reliably measureable until all contingencies relating to the activity have been resolved.

Tuition and other fee income

Revenue from tuition and other related fees and residence fees, is recognised over time. Deposits and overpayments provided by prospective students are treated as current liabilities until the amount is billed as due.

State appropriations – subsidies and grants

State subsidies and grants for general purposes are recognised as revenue in the financial year to which the subsidy relates. Subsidies for specific purposes, e.g. capital expenditure, are brought into the appropriate fund at the time they are available for expenditure for the purpose provided. However, if the funding is provided in advance of the specified requirement (i.e. the University does not have immediate entitlement to it), the relevant amount is retained as a liability until the University has complied with all the conditions attached to the construction of the asset, after which the grant is deducted from the carrying amount of the asset. Subsidies and grants are in the scope of IAS 20.

Research income

a) Research income in the scope of IAS 20

Revenue is recognised in the financial period in which the University becomes entitled to the use of those funds. Funds in the possession of the University that it cannot use until some specified future period or occurrence are recognised upon receipt and thereafter are held in a reserve fund until the financial period in which the funds may be used.
Research income is recognised and accounted under IAS 20.

b) Research income in the scope of IFRS 15

Research income within the scope of IFRS 15 is recognised over time. The amount of research income in the scope of IFRS 15 is not material.

Accounting Policies

Basis of preparation and summary of significant accounting policies continued...

Donations

Bursary and research donations are recognised on receipt of contract. These donations are included in ‘other operating income’ in the statement of profit or loss and comprehensive income and/or in 'student deposits and accounts in credit' in the statement of financial position, depending on the contract.

Other income

Occasional sales and services are recognised in the period in which they accrue. Income from such sales and services are included in ‘other operating income’ in the statement of profit or loss and comprehensive income.

Dividends and interest receivable

Dividends are recognised when the right to receive payment is established. Interest income is recognised in profit on a time proportion basis using the effective interest rate method.

Income received for designated purposes

Income received for designated purposes may arise from contracts, grants, donations and income on specifically purposed endowments. In all cases, any such revenue or other operating income is recognised in the financial period in which the University becomes entitled to the use of those funds. Funds in the possession of the University that it cannot use until some specified future period or occurrence are recognised upon receipt and are thereafter held in a reserve fund until the financial period in which the funds may be used.

There are grants with no specific conditions in relation to either the expense they aim to compensate, the period in which they need to be spent or conditions to repay when certain conditions are not fulfilled, etc.

Private gifts, grants and donations with no specific condition in relation to either the expenses they aim to compensate, the period in which they need to be spent or conditions to repay when certain conditions are not fulfilled, etc. but with stipulation that the grant should be used to compensate certain type of expenditure (e.g. bursaries, research (whether in general of within certain areas)) are recognised as income at the fair value of the consideration received or receivable in the period in which they are received or the University becomes entitled to it.

Any unspent portion of such grant, at the end of the financial year, is transferred on the statement of change in funds to Restricted Funds (separately from unrestricted funds / council controlled funds). When expenditure are incurred in following years, a transfer from these Restricted Funds is made to unrestricted funds / council controlled funds.

Rental Income

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

Finance Income

Finance income is recognised on a time proportion basis, taking account of the principal outstanding and the effective rate over the period to maturity, when it is determined that such income will accrue to the University.

Accounting Policies

Basis of preparation and summary of significant accounting policies continued...

2.13 Employee obligations

Pension obligations

The University operates various pension schemes. 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.

The University contributes towards the following retirement funds:

- The University of Johannesburg Pension Fund, which is a combined defined benefit and defined contribution plan;
- The University of Johannesburg Pension Fund, which is a defined contribution plan; and
- The University of Johannesburg Provident Fund, which is a defined contribution plan.

A defined contribution plan is a pension plan under which the University makes 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. Defined benefit plans normally 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.

The retirement funds are managed by Boards of Trustees and are registered in terms of the provisions of the Pension Funds Act.

The University also contributes to risk benefits e.g. funeral, group and disability plan.

These plans cover most of the University's employees. Foreign staff does not belong to any of these funds.

Current service costs, interest costs and expected return on plan assets (to the extent that the plan is funded) is recognised in the statement of profit or loss and comprehensive income, within 'personnel’ costs.

The liability in respect of defined benefit pension plans is the present value of the defined benefit obligation at the reporting date less the fair value of plan assets, together with adjustments for actuarial gains/losses and past service cost. 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 using interest rates of government securities that have terms to maturity approximating the terms of the related liability.

In determining whether the University has access to a surplus on the plans, the plan rules are considered. Where the plan rules are silent on the allocation of surpluses or the allocation is under the control of the trustees only the amounts allocated to the employee surplus account plus the present value of the difference in each year between the estimated service cost and the contribution rate recommended by the actuary/valuator is recognised as a surplus. Where a surplus in the fund is automatically allocated to the University or a fixed portion of a surplus is automatically allocated to the University the full accounting surplus plus the present value of the difference in each year between the estimated service cost and the contribution rate recommended by the actuary/valuator is recognised as a surplus.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income in the period in which they arise.

Basis of preparation and summary of significant accounting policies continued...

Past- service costs are recognised immediately in income, unless the changes to the pension plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past- service costs are amortised on a straight-line basis over the vesting period.

The liability of the University in respect of the defined contribution portion of the Pension Funds and the Provident Fund is limited to the monthly contributions that the University pays on behalf of its members in terms of their service contracts.

The assets of the various Funds are held independently of the University's assets in separate trustee-administered Funds.

Post-retirement medical benefits

The University settled its obligation to provide medical benefits to certain employees after retirement by a single deposit into the pension fund on behalf of the employees involved and has no further obligation. These employees were from the ex-RAU.

The University provides post- retirement medical aid benefits to certain qualifying employees from the former Technikon Witwatersrand ("TWR") and Vista University ("VISTA"). The University provided a once off voluntary buy-out offer to qualifying employees to transfer their post- retirement medical aid benefit into their current retirement fund. The University has no further obligation for these employees. Provision is made for the unfunded future medical aid contributions of employees and pensioners. Current service costs are charged to the statement profit or loss and of comprehensive income. The current service cost is determined by independent actuaries on an annual basis taking into account the University’s funding of the post-employment benefits.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income in the period in which they arise. Certain employees from the ex-TWR and ex-Vista are eligible for post- retirement medical benefits. These employees were appointed before certain dates and they are eligible for these benefits in terms of their employment contracts. These conditions were transferred to the University of Johannesburg and its subsidiaries at the time of the merger.

Long service awards

The University awards long service cash payments to qualifying staff as predetermined milestones are reached for uninterrupted service. These cash awards are subject to income tax as prescribed by South African Revenue Services.

2.14 Government grants

Grants from the government are recognised at their 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 statement of profit or loss and comprehensive income 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 deducted in calculating the cost of the asset. The grant is carried as a liability in the statement of financial position until the University has complied with all the conditions attached to the construction of the asset, after which the grant is deducted from the carrying amount of the asset.

Accounting Policies

Basis of preparation and summary of significant accounting policies continued...

2.15 Borrowing costs

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of profit or loss and comprehensive income over the period of the borrowings using the effective interest method.

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

2.16 Deferred Compensation

Deferred compensation is a benefit to exceptional performers identified within the University. The main purpose was for the University to establish a mechanism to position itself to attract and retain talent on a more sustainable basis. The scheme is based on a 3 year withdrawal cycle where the identified employee is required to display consistent achievement, demonstrate exemplary leadership and should be going beyond the call of duty.

Accounting Policies

3. Fund allocation

Equity is divided into the following categories:

- Utilised funds
- Available funds
    - o Restricted funds
    - o Unrestricted funds
        - Designated/Committed funds
        - Undesignated funds

Utilised funds

These are funds utilised for acquisitions of property, plant and equipment.

Available funds

These funds comprise income received, the use of which is legally beyond the control of the Council. These funds are accounted for under the following headings:

- o National Research Foundation and similar funds – restricted use
- o Endowment funds – restricted use
- o Bursaries and scholarship funds – restricted use
- o Residences funds - restricted use
- o Funds attributable to fair value adjustments

- Available funds, unrestricted use

This grouping comprises income and funds that fall under the absolute discretion or control of the Council. Unrestricted use funds are divided into two categories:

a) Designated-use funds

These are funds designated by the Council for identified purposes. Until such designated amounts are used for the identified purpose, they are disclosed but identified separately as part of “unrestricted funds”. Under the grouping “Designated-use funds” a further category is used, namely “Committed funds”, this involves funds for projects and initiatives approved by the Council. Designated-use funds are accounted for under the following headings:

- Designated funds
    - o Personal research funds
    - o Departmental reserve funds
    - o Departmental bursaries funds
    - o Division reserve funds
    - o Bursaries and scholarships
    - o Maintenance of property, plant and equipment
    - o Replacement of plant and equipment
    - o Acquisition of library and art collections

Accounting Policies

Fund allocation continued...

- Committed funds
  - Capital projects
  - Future pension fund shortfalls

b) Undesignated-use funds

These comprise funds arising from income or surpluses that are available to the Council in its unfettered and absolute control over allocations to fund the activities of the University.

4. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed in note 33.

5. Changes in accounting policies and disclosures

5.1 Standards and Interpretations effective and adopted in the current year

During the year, the following amendments to IFRS became effective:

	Effective date: Years beginning on or after	**Expected impact**
Amendments to IFRS 9 - 'Financial instruments' on prepayment features with negative compensation and modification of financial liabilities. - The narrow-scope amendment covers two issues: - The amendments allow companies to measure particular repayable financial assets with so-called negative compensation at amortised cost or at fair value through other comprehensive income if a specified condition is met - instead of at fair value through profit or loss. It is likely to have the biggest impact on banks and other financial service entities. - How to account for the modification of a financial liability. The amendment confirms that most such modifications will result in immediate recognition of a gain or loss. This is a change from common practice under IAS 39 today and will affect all kinds of entities that have a renegotiated borrowings.	01 January 2019	Not material

Accounting Policies

Changes in accounting policies and disclosures continued...

	Effective date: Years beginning on or after	Expected impact
IFRS 16 - Leases - This standard replaces the current guidance in IAS 17 and is a far reaching change in accounting by lessees in particular. Under IAS 17, lessees were required to make a distinction between a finance lease (on balance sheet) and an operating lease (off balance sheet). IFRS16 now requires lessees to recognise a lease liability reflecting future lease payments and a 'right- of- use asset' for virtually all lease contracts. The IASB has included an optional exemption for certain short- term leases and leases of low- value assets; however, this exemption can only be applied by lessees. For lessors, the accounting stays almost the same. However, as the IASB has updated the guidance on the definition of a lease (as well as the guidance on the combination and separation of contracts), lessors will also be affected by the new standard. At the very least, the new accounting model for lessees is expected to impact negotiations between lessors and lessees. Under IFRS 16, a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. IFRS 16 superseded IAS 17, 'Leases', IFRIC 4, 'Determining whether an Arrangement contains a Lease', SIC15, 'Operating Leases - Incentives' and SIC 27, 'Evaluating the Substance of Transaction Involving the Legal Form of a Lease'.	01 January 2019	Implemented from effective date (note 35)
Amendments to IAS 19, 'Employee Benefits' on plan amendment, curtailment or settlement. - These amendments require an entity to: - Use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and - Recognise in profit and loss as part of past service cost, or gain or loss on settlement, any reduction in a surplus (recognised or unrecognised). This reflects the substance of the transaction, because a surplus that has been used to settle an obligation or provide additional benefits is recovered. The impact on the asset ceiling is recognised in other comprehensive income, and it is not reclassified to profit or loss The impact of the amendments is to confirm that these effects are not offset.	01 January 2019	Not material

Accounting Policies

Changes in accounting policies and disclosures continued...

	Effective date: Years beginning on or after	Expected impact
Amendments to IAS 28, 'Investments in associates and joint ventures' - long- term interests in associates and joint ventures. The amendments clarified that companies account for long-term interests in an associate or joint venture, to which the equity method is not applied, using IFRS 9. The amendments are effective from 1 January 2019, with early application permitted.	01 January 2019	Not material
Annual improvements cycle 2015-2017. - These amendments include minor changes to: - IFRS 3, 'Business combination' - a company remeasures its previously held interest in a joint operation when it obtains control of the business. - IFRS 11,'Joint arrangements', - a company does not remeasure its previously held interest in a joint operation when it obtains joint control of the business. - IAS 12,' Income taxes' - The amendment clarified that the income tax consequences of dividends on financial instruments classified as equity should be recognised according to where the past transactions or events that generated distributable profits were recognised. - IAS 23,' Borrowing costs' - a company treats as part of general borrowings any borrowing originally made to develop an asset when the asset is ready for its intended use or sale.	01 January 2019	Not material

Accounting Policies

Changes in accounting policies and disclosures continued...

5.2 New standards and interpretations not yet adopted

The University of Johannesburg and its subsidiaries will apply the following standards on the said effective dates.

	Effective date: Years beginning on or after	Expected impact
Amendment to IAS 1, 'Presentation of financial statements' and IAS 8, 'Accounting policies, changes in accounting estimates and errors' on the definition of material. These amendments to IAS 1 and IAS 8 and consequential amendments to other IFRSs: - use a consistent definition of materiality through IFRSs and the Conceptual Framework for Financial Reporting; - clarify the explanation of the definition of material; and - incorporate some of the guidance in IAS 1 about immaterial information. The amended definition is: 'Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.	01 January 2020	Management has performed a high level impact assessment and are not expecting any material changes

Notes to the Consolidated and Seperate Financial Statements

Figures in R `000

6. Property, plant and equipment

Balances at year end and movements for the year

	Land & Buildings	Building Lifts	Buildings - ROU	Uninterrupted power supply	Vehicles	Vehicles - ROU	Furniture & equipment	Computer equipment	Electric generators	Air-conditioner plants	Air-conditioners	Network & Mainframe computer equipment	Total
Reconciliation for the year ended 31 December 2019 - Consolidation													
Balance at 1 January 2019													
At cost	2,010,958	58,232	-	67,073	43,113	-	829,241	43,371	21,682	15,240	49,624	141,804	**3,280,338**
Accumulated depreciation	(353,294)	(12,118)	-	(45,094)	(27,315)	-	(317,896)	(25,061)	(11,365)	(3,980)	(18,948)	(91,987)	**(907,058)**
Net book value	**1,657,664**	**46,114**	**-**	**21,979**	**15,798**	**-**	**511,345**	**18,310**	**10,317**	**11,260**	**30,676**	**49,817**	**2,373,280**
Movements for the year ended 31 December 2019													
Additions from acquisitions	96,349	-	3,930	726	5,618	9,141	38,024	53,590	5,355	-	1,769	17,994	**232,497**
Depreciation	(23,474)	(1,426)	(1,105)	(2,215)	(2,193)	(457)	(49,257)	(6,058)	(936)	(725)	(3,186)	(13,693)	**(104,725)**
Adjustments	19,923	-	-	-	-	-	-		-	-	-	-	**19,923**
Disposals	-	-	-	(107)	(948)	-	(1,079)	(497)	(29)	-	(96)	(182)	**(2,938)**
Depreciation on disposals	-	-	-	3	889	-	846	427	9	-	74	182	**2,428**
Property, plant and equipment at the end of the year	**1,750,462**	**44,689**	**2,825**	**20,386**	**19,163**	**8,684**	**499,879**	**65,773**	**14,716**	**10,534**	**29,237**	**54,118**	**2,520,466**
Closing balance at 31 December 2019													
At cost	2,107,302	58,233	3,930	67,692	47,784	9,141	866,094	96,230	27,008	15,238	51,296	159,615	**3,509,563**
Accumulated depreciation	(356,840)	(13,544)	(1,105)	(47,306)	(28,621)	(457)	(366,215)	(30,457)	(12,292)	(4,704)	(22,059)	(105,497)	**(989,097)**
Net book value	**1,750,462**	**44,689**	**2,825**	**20,386**	**19,163**	**8,684**	**499,879**	**65,773**	**14,716**	**10,534**	**29,237**	**54,118**	**2,520,466**
Assets with zero net carrying value as at 31 December 2019 included in the balances above (cost price).	3,068	1,200	-	25,040	9,873	-	32,309	13,597	1,800	-	2,762	54,789	144,438
During 2019, the useful lives of specific asset cateories were adjusted with the following reduction in current year depreciation. The reduction in depreciation will be recovered over the remaining useful lives of the asset, to the same value.	-	-	-	-	(539)	-	(9,225)	(1,193)	-	-	-	-	(10,957)

As of 31 December 2019, included in the carrying amount for Land & Buildings, is property to the value of R106 490 (2018: R62 748) that is still under construction.

As of 31 December 2019, assets to the accumulated amount of R712 599 (2018: R646 598) were captalised and written off in full as a result of government grants received (Note 2.16 and Note 12).

As of 31 December 2019, included in the carrying amount for Land & Buildings, is Land to the value of R115 620 (2018: R112 168).

* In the previous year, the University only recognised lease assets and lease liabilities in relation to leases that were classified as ‘finance leases’ under IAS 17 Leases. The assets were presented in property, plant and equipment and the liabilities as part of the University’s borrowings. For adjustments recognised on adoption of IFRS 16 on 1 January 2019, please refer to note 35.

Additions to right-of-use assets during the 2019 financial year were R9 141.

Figures in R `000

Property, plant and equipment continued...

	Land & Buildings	Building Lifts	Buildings - ROU	Uninterrupted power supply	Vehicles	Vehicles - ROU	Furniture & equipment	Computer equipment	Electric generators	Air-conditioner plants	Air-conditioners	Network & Mainframe computer equipment	Total
Reconciliation for the year ended 31 December 2018 - Consolidated													
Balance at 1 January 2018													
At cost	1,951,734	54,880	-	66,987	53,731	-	688,313	41,887	21,428	15,240	44,430	137,398	**3,076,028**
Accumulated depreciation	(332,741)	(10,768)	-	(42,905)	(35,507)	-	(268,041)	(30,008)	(10,717)	(3,255)	(16,068)	(82,559)	**(832,569)**
Net book value	**1,618,993**	**44,112**	**-**	**24,082**	**18,224**	**-**	**420,272**	**11,879**	**10,711**	**11,985**	**28,362**	**54,839**	**2,243,459**
Movements for the year ended 31 December 2018													
Additions from acquisitions	59,224	3,352	-	86	846	-	148,037	10,849	488	-	5,273	8,075	**236,232**
Depreciation	(20,553)	(1,350)	-	(2,189)	(2,831)	-	(56,070)	(4,378)	(722)	(725)	(2,949)	(13,044)	**(104,811)**
Disposals	-	-	-	-	(11,464)	-	(7,109)	(9,365)	(234)	-	(79)	(3,669)	**(31,920)**
Depreciation on disposals	-	-	-	-	11,023	-	6,215	9,325	74	-	69	3,616	**30,322**
Property, plant and equipment at the end of the year	**1,657,664**	**46,114**	**-**	**21,979**	**15,798**	**-**	**511,345**	**18,310**	**10,317**	**11,260**	**30,676**	**49,817**	**2,373,280**
Closing balance at 31 December 2018													
At cost	2,010,958	58,232	-	67,073	43,113	-	829,241	43,371	21,682	15,240	49,624	141,804	**3,280,338**
Accumulated depreciation	(353,294)	(12,118)	-	(45,094)	(27,315)	-	(317,896)	(25,061)	(11,365)	(3,980)	(18,948)	(91,987)	**(907,058)**
Net book value	**1,657,664**	**46,114**	**-**	**21,979**	**15,798**	**-**	**511,345**	**18,310**	**10,317**	**11,260**	**30,676**	**49,817**	**2,373,280**
Assets with zero net carrying value as at 31 December 2018 included in the balances above (cost price).	3,068	1,200		25,040	10,384		32,468	13,042	1,800	-	2,761	54,970	144,733
During 2018, the useful lives of specific Computer equipment and Network & Mainframe computer equipment asset categories were adjusted with the following reduction in current year depreciation.	-	-		-	-		-	214	-	-	-	6,057	6,271
The reduction in depreciation will be recovered over the remaining useful lives of the asset, to the same value.													

As of 31 December 2018, included in the carrying amount for Land & Buildings, is property to the value of R62 748 (2017: R11 441) that is still under construction.

As of 31 December 2018, assets to the accumulated amount of R646 598 (2017: R642 855) were captalised and written off in full as a result of government grants received (Note 2.16 and Note 12).

As of 31 December 2018, included in the carrying amount for Land & Buildings, is Land to the value of R112 168 (2017: R112 168).

Notes to the Consolidated and Seperate Financial Statements

Figures in R `000

Property, plant and equipment continued...

	Land & Buildings	Building Lifts	Buildings - ROU	Uninterrupted power supply	Vehicles	Vehicles - ROU	Furniture & equipment	Computer equipment	Electric generators	Air-conditioner plants	Air-conditioners	Network & Mainframe computer equipment	Total
Reconciliation for the year ended 31 December 2019 - University													
Balance at 1 January 2019													
At cost	1,856,005	53,312	-	67,073	42,849	-	826,360	41,328	21,681	15,238	49,554	141,804	**3,115,204**
Accumulated depreciation	(324,087)	(11,777)	-	(45,094)	(27,117)	-	(316,806)	(23,274)	(11,365)	(3,980)	(18,935)	(91,987)	**(874,422)**
Net book value	**1,531,918**	**41,535**	**-**	**21,979**	**15,732**	**-**	**509,554**	**18,054**	**10,316**	**11,258**	**30,619**	**49,817**	**2,240,782**
Movements for the year ended 31 December 2019													
Additions from acquisitions	95,672	-	27,024	727	5,618	9,141	40,471	53,658	5,356	-	1,768	17,994	**257,428**
Depreciation	(21,717)	(1,303)	(12,652)	(2,215)	(2,160)	(457)	(48,993)	(6,038)	(936)	(725)	(3,181)	(13,693)	**(114,070)**
Disposals	-	-	-	(107)	(948)	-	(1,079)	(497)	(29)	-	(96)	(182)	**(2,939)**
Depreciation on disposals	-	-	-	3	889	-	846	427	9	-	74	182	**2,428**
Property, plant and equipment at the end of the year	**1,605,873**	**40,233**	**14,372**	**20,386**	**19,130**	**8,684**	**500,798**	**65,605**	**14,716**	**10,534**	**29,184**	**54,118**	**2,383,631**
Closing balance at 31 December 2019													
At cost	1,951,631	53,312	27,024	67,692	47,521	9,141	865,748	94,492	27,008	15,238	51,226	159,615	**3,369,648**
Accumulated depreciation	(345,758)	(13,078)	(12,652)	(47,306)	(28,391)	(457)	(364,950)	(28,887)	(12,292)	(4,704)	(22,042)	(105,497)	**(986,014)**
Net book value	**1,605,873**	**40,234**	**14,372**	**20,386**	**19,130**	**8,684**	**500,798**	**65,605**	**14,716**	**10,534**	**29,184**	**54,118**	**2,383,634**
Assets with zero net carrying value as at 31 December 2019 included in the balances above (cost price).	3,068	1,200	-	25,040	9,873	-	32,309	13,597	1,800	-	2,762	54,789	144,438
During 2019, the useful lives of specific asset cateories were adjusted with the following reduction in current year depreciation.	-	-	-	-	(539)	-	(9,225)	(1,193)	-	-	-	-	(10,957)

The reduction in depreciation will be recovered over the remaining useful lives of the asset, to the same value.

As of 31 December 2019, included in the carrying amount for Land & Buildings, is property to the value of R109 916 (2018: R62 748) that is still under construction.

As of 31 December 2019, assets to the accumulated amount of R712 599 (2018: R646 598) were captalised and written off in full as a result of government grants received (Note 2.16 and Note 12).

As of 31 December 2019, included in the carrying amount for Land & Buildings, is Land to the value of R101 420 (2018: R97 968).

* In the previous year, the University only recognised lease assets and lease liabilities in relation to leases that were classified as 'finance leases' under IAS 17 Leases. The assets were presented in property, plant and equipment and the liabilities as part of the University's borrowings. For adjustments recognised on adoption of IFRS 16 on 1 January 2019, please refer to note 35.

Additions to right-of-use assets during the 2019 financial year were R9 141.

Notes to the Consolidated and Seperate Financial Statements

Figures in R `000

Property, plant and equipment continued...

	Land & Buildings	Building Lifts	Buildings - ROU	Uninterrupted power supply	Vehicles	Vehicles - ROU	Furniture & equipment	Computer equipment	Electric generators	Air-conditioner plants	Air-conditioners	Network & Mainframe computer equipment	Total
Reconciliation for the year ended 31 December 2018 - University													
Balance at 1 January 2018													
At cost	1,841,554	49,960	-	66,987	53,432	-	686,211	39,717	21,427	15,238	44,360	137,398	**2,956,284**
Accumulated depreciation	(306,525)	(10,550)	-	(42,905)	(35,319)	-	(267,051)	(28,211)	(10,717)	(3,255)	(16,059)	(82,559)	**(803,151)**
Net book value	**1,535,029**	**39,410**	**-**	**24,082**	**18,113**	**-**	**419,160**	**11,506**	**10,710**	**11,983**	**28,301**	**54,839**	**2,153,133**
Movements for the year ended 31 December 2018													
Additions from acquisitions	14,451	3,352	-	86	846	-	147,100	10,848	488	-	5,273	8,075	**190,519**
Depreciation	(17,562)	(1,227)	-	(2,189)	(2,795)	-	(55,836)	(4,268)	(722)	(725)	(2,945)	(13,044)	**(101,313)**
Disposals	-	-	-	-	(11,429)	-	(6,951)	(9,237)	(234)	-	(79)	(3,669)	**(31,599)**
Depreciation on disposals	-	-	-	-	10,997	-	6,081	9,205	74	-	69	3,616	**30,042**
Property, plant and equipment at the end of the year	**1,531,918**	**41,535**	**-**	**21,979**	**15,732**	**-**	**509,554**	**18,054**	**10,318**	**11,258**	**30,619**	**49,817**	**2,240,786**
Closing balance at 31 December 2018													
At cost	1,856,005	53,312	-	67,073	42,849	-	826,360	41,328	21,681	15,238	49,554	141,804	**3,115,204**
Accumulated depreciation	(324,087)	(11,777)	-	(45,094)	(27,117)	-	(316,806)	(23,274)	(11,365)	(3,980)	(18,935)	(91,987)	**(874,422)**
Net book value	**1,531,918**	**41,535**	**-**	**21,979**	**15,732**	**-**	**509,554**	**18,054**	**10,316**	**11,258**	**30,619**	**49,817**	**2,240,782**
Assets with zero net carrying value as at 31 December 2018 included in the balances above (cost price).	3,068	1,200		25,040	10,384		32,468	13,042	1,800	-	2,761	54,970	144,733
During 2018, the useful lives of specific Computer equipment and Network & Mainframe computer equipment asset categories were adjusted with the following reduction in current year depreciation.	-	-		-	-		-	214	-	-	-	6,057	6,271
The reduction in depreciation will be recovered over the remaining useful lives of the asset, to the same value.													

As of 31 December 2018, included in the carrying amount for Land & Buildings, is property to the value of R62 523 (2017: R11 441) that is still under construction.

As of 31 December 2018, assets to the accumulated amount of R646 598 (2017: R642 855) were captalised and written off in full as a result of government grants received (Note 2.16 and Note 12).

As of 31 December 2018, included in the carrying amount for Land & Buildings, is Land to the value of R97 968 (2017: R97 968).

Notes to the Consolidated and Seperate Financial Statements

Figures in R `000	Consolidated 2019	Consolidated 2018	University 2019	University 2018

7. Intangible assets

Reconciliation of changes in intangible assets

	Computer software	Artwork	Total
Reconciliation for the year ended 31 December 2019 - Consolidated			
Balance at 1 January 2019			
At cost	51,128	1,459	**52,587**
Accumulated amortisation	(38,159)	-	**(38,159)**
Net book value	**12,969**	**1,459**	**14,428**
Movements for the year ended 31 December 2019			
Additions	5,070	74	**5,144**
Amortisation	(3,559)	-	**(3,559)**
Disposals	(3,674)	-	**(3,674)**
Amortisation on disposals	147	-	**147**
Intangible assets at the end of the year	**10,953**	**1,533**	**12,486**
Closing balance at 31 December 2019			
At cost	10,952	1,532	**12,484**
Accumulated amortisation	-	-	**-**
Net book value	**10,952**	**1,532**	**12,484**
During 2019, the useful lives of specific asset cateories were adjusted with the following reduction in current year amortisation.	1,525	**-**	**1,525**
The reduction in amortisation will be recovered over the remaining useful lives of the asset, to the same value.			
Reconciliation for the year ended 31 December 2018 - Consolidated			
Balance at 1 January 2018			
At cost	55,821	1,276	**57,097**
Accumulated amortisation	(32,815)	-	**(32,815)**
Net book value	**23,006**	**1,276**	**24,282**
Movements for the year ended 31 December 2018			
Additions	-	183	**183**
Amortisation	(7,415)	-	**(7,415)**
Disposals	(4,693)	-	**(4,693)**
Amortisation on disposals	2,071	-	**2,071**
Intangible assets at the end of the year	**12,969**	**1,459**	**14,428**
Closing balance at 31 December 2018			
At cost	51,128	1,459	**52,587**
Accumulated amortisation	(38,159)	-	**(38,159)**
Net book value	**12,969**	**1,459**	**14,428**

Notes to the Consolidated and Seperate Financial Statements

Figures in R `000	Consolidated 2019	Consolidated 2018	University 2019	University 2018

Intangible assets continued...

Reconciliation for the year ended 31 December 2019 - University	Computer software	Artwork	Total
Balance at 1 January 2019			
At cost	46,459	1,459	**47,918**
Accumulated amortisation	(37,766)	-	**(37,766)**
Net book value	**8,693**	**1,459**	**10,152**
Movements for the year ended 31 December 2019			
Additions	5,799	74	**5,873**
Amortisation	(3,529)	-	**(3,529)**
Disposals	(31)	-	**(31)**
Amortisation on disposals	17	-	**17**
Intangible assets at the end of the year	**10,949**	**1,533**	**12,482**
Closing balance at 31 December 2019			
At cost	10,949	1,532	**12,481**
Accumulated amortisation	-	-	**-**
Net book value	**10,949**	**1,532**	**12,481**
During 2019, the useful lives of computer software was adjusted, from 3 years to 5 years with the following reduction in current year amortisation.	(1,525)	**-**	**(1,525)**
The reduction in amortisation will be recovered over the remaining useful lives of the asset, to the same value.			
Reconciliation for the year ended 31 December 2018 - University			
Balance at 1 January 2018			
At cost	42,389	1,276	**43,665**
Accumulated amortisation	(31,006)	-	**(31,006)**
Net book value	**11,383**	**1,276**	**12,659**
Movements for the year ended 31 December 2018			
Additions	4,697	183	**4,880**
Amortisation	(7,372)	-	**(7,372)**
Disposals	(627)	-	**(627)**
Amortisation on disposals	612	-	**612**
Intangible assets at the end of the year	**8,693**	**1,459**	**10,152**
Closing balance at 31 December 2018			
At cost	46,459	1,459	**47,918**
Accumulated amortisation	(37,766)	-	**(37,766)**
Net book value	**8,693**	**1,459**	**10,152**

Notes to the Consolidated and Seperate Financial Statements

Figures in R `000	Consolidated 2019	Consolidated 2018	University 2019	University 2018

8. Investments in subsidiaries, joint ventures and associates

8.1 Investments in subsidiaries and other entities

Cost of investment in commercial entities	-	-	108,131	108,086
Impairment of investments in commercial entities	-	-	(13,845)	(13,845)
Total loans to commercial entities (note 29.2)	10,493	4,961	72,951	77,464
Impairment of loans to commercial entities (note 29.2)	-	-	(72,424)	(72,274)
Other investments	3,357	4,432	3,417	4,432
	13,850	9,393	98,230	103,863

8.2 Investment in associates and joint ventures

Cost of investment	9,141	9,141	9,141	9,141
Total loan to associate opening balance	95,380	93,963	95,380	93,963
Additional loan to associate	654	1,418	654	1,418
Accumulated impairment recognised - 1 January	(80,263)	(80,263)	(80,263)	(80,263)
Loan repayment received	(10,000)	-	(10,000)	-
Accumulated impairment of investment	(9,141)	(9,141)	(9,141)	(9,141)
Carrying amount of investment – 31 December	5,771	15,118	5,771	15,118
Total investments in subsidiaries, joint ventures and associates	**19,621**	**24,511**	**104,001**	**118,981**

Photovoltaic Intellectual Property (Pty) Ltd (PTIP), is an associate of the University. The University's shareholding is 38%. The company does not share the same year end as the University, as its year end is 28 February. There were no changes to the University's shareholding in PTIP during 2019 and 2018.

Upon decision of the joint shareholders, PTIP was put in business rescue in May 2018 with a view to orderly wind down the entity and maximize possible return from disposal of assets. The business rescue plan which made provision for the orderly winding down of the company was published and voted on and adopted by the shareholders and creditors on 19 November 2018.

Impairment losses

No Impairment on the PTIP loan has been accounted for in 2019 as there is a high probability that the loan will be recovered during the liquidation process. PTIP property and shares held in TFST were sold. The proceeds of these sales are expected to result in the R5.7m being recouped.

9. Inventories

Consumables at cost	4,441	4,648	4,441	4,648

The cost of consumables recognised as an expense and included in items within ‘other operating expenses’ amounted to Consolidated R17 211 / University R17 211 (2018: Consolidated R17 793 / University R17 793).

The University does not hold any inventories as security.

Notes to the Consolidated and Seperate Financial Statements

Figures in R `000	Consolidated 2019	Consolidated 2018	University 2019	University 2018

10. Trade and other receivables

Trade receivables	932,717	933,418	928,526	928,952
NSFAS and other student receipts	(624,290)	(547,439)	(624,290)	(547,439)
Provision for impairment	(138,434)	(137,621)	(138,434)	(137,621)
Student receivables - net carrying amount	**169,993**	**248,358**	**165,802**	**243,892**
Other receivables	**228,673**	**218,021**	**229,035**	**204,818**
Advances and pre-payments	38,109	59,687	35,852	56,078
Deposits	3,084	3,249	2,483	2,671
Staff loans, receivables and advances	204	358	204	(43)
Value added tax	606	-	-	-
Non-student receivables - net carrying amount	186,670	154,727	190,496	146,112
Non-student receivables	196,882	167,827	200,625	158,662
Less: Provision for impairment	(10,212)	(13,100)	(10,129)	(12,550)
	398,666	**466,379**	**394,837**	**448,710**

The fair value of student and other receivables approximate their book values as shown above.

The carrying amounts of the University's student and other receivables are denominated in South African Rand (R).

The University does not hold any receivables as security.

Refer to note 30 for disclosure relating to the University's exposure to credit risk, as well as a reconciliation of the movement in the provision for impairment of student and other receivables.

Trade receivables

As of 31 December 2019, student receivables of Consolidated R169 993 / University R165 802 (2018: Consolidated R248 358 / University R243 892) were past due date but not impaired. These relate to students for whom there is no recent history of default (i.e. making regular payments). Students whose terms have been negotiated also fall in this category.

The ageing of these receivables is as follows:

Students enrolled in current year	169,993	248,358	165,802	243,892
	169,993	**248,358**	**165,802**	**243,892**

As of 31 December 2019, student receivables of Consolidated R138 434 / University R138 434 (2018: Consolidated R137 621 / University R137 621) were impaired and provided for. The individually impaired student receivables mainly relate to students experiencing financial difficulty with their payments. It is expected that a portion of the student receivables will be recovered from collection efforts both from the University and collection agents.

The ageing of this provision is as follows:

Students enrolled in current year	11,633	5,389	11,633	5,708
Students enrolled in prior year	64,953	73,187	64,953	73,010
Students enrolled more than two years ago	61,847	59,045	61,847	58,903
	138,434	**137,621**	**138,434**	**137,621**

The creation and release of the provision for impaired student receivables has been included in other operating expenses in the statement of profit or loss and comprehensive income. Amounts charged to the statement of profit or loss and other comprehensive income are generally written off when there is no expectation of recovering any additional amounts.

Notes to the Consolidated and Seperate Financial Statements

Figures in R `000	Consolidated 2019	Consolidated 2018	University 2019	University 2018

Trade and other receivables continued...

Other receivables

As of 31 December 2019, other trade receivables of Consolidated R196 882 / University R200 625 (2018: Consolidated R167 827 / University R158 662) were fully performing.

The ageing of these receivables are as follows:				
Not past due	171,733	150,945	160,476	141,780
Past due	25,149	16,882	40,149	16,882
	196,882	**167,827**	**200,625**	**158,662**

As of 31 December 2019, other trade receivables of Consolidated R10 129 / University R10 129 (2018: Consolidated R13 100 / University R12 550) were impaired and provided for. Due to the nature of these receivables and a history of low defaults credit losses are deemed minimal. Some credit losses have been provided for based on an individual evaluation of individual trade receivables and historical default rates. It was assessed that a portion of the other trade receivables is expected to be recovered.

The ageing of the provision is as follows:				
Up to 3 months	3,151	4,042	3,151	3,872
3 to 6 months	7,061	9,058	7,061	8,678
	10,212	**13,100**	**10,129**	**12,550**

Movements in the provision for impairment of other trade receivables are as follows:				
At 1 January	13,100	6,246	12,550	5,553
Provision for impairment	404	8,685	-	41,863
Receivables written-off during the year	(3,292)	(1,831)	(2,421)	(34,866)
At 31 December	**10,212**	**13,100**	**10,129**	**12,550**

The creation and release of the provision for impaired other trade receivables has been included in other operating expenses in the statement of profit or loss and other comprehensive income. Amounts charged to the statement of profit or loss and comprehensive income are generally written off when there is no expectation of recovering any additional amounts.

11. Financial assets at fair value through profit or loss

Consolidated

	Cost 2019	Fair Value 2019	Cost 2018	Fair Value 2018
Opening balance 1 January	3,288,461	3,468,682	3,006,865	3,571,391
Net additions and disposals during the year	255,865	262,633	281,596	266,282
Investments fair value gains/(losses) (note 28)	-	100,037	-	(368,991)
	3,544,326	3,831,352	3,288,461	3,468,682

Notes to the Consolidated and Seperate Financial Statements

Figures in R `000	Consolidated 2019	Consolidated 2018	University 2019	University 2018

Financial assets at fair value through profit or loss continued...

Fair value financial assets include the following:

	Cost 2019	Fair Value 2019	Cost 2018	Fair Value 2018
Government bonds and stocks	277,168	283,068	353,844	362,931
Listed - stocks and debentures	406,005	440,939	368,506	384,685
Listed - shares	2,448,215	2,690,118	2,210,873	2,362,249
Fixed deposits	60,460	62,464	61,649	63,020
Other deposits	328,007	330,289	267,571	269,777
Endowment policies	24,472	24,474	26,018	26,020
	3,544,326	3,831,352	3,288,461	3,468,682

University

Opening balance 1 January	2,585,717	2,712,724	2,352,132	2,747,108
Net additions and disposals during the year	202,733	207,984	233,585	206,911
Investments fair value gains/(losses) (note 28)	-	65,954	-	(241,295)
	2,788,450	2,986,662	2,585,717	2,712,724

Fair value financial assets include the following:

Government bonds and stocks	223,711	228,375	311,019	318,080
Listed - stocks and debentures	314,018	336,225	278,496	287,539
Listed - shares	1,874,592	2,042,178	1,691,162	1,798,805
Fixed deposits	60,460	62,463	61,649	63,019
Other deposits	291,195	292,948	217,371	219,262
Endowment policies	24,474	24,473	26,020	26,019
	2,788,450	2,986,662	2,585,717	2,712,724

A register of the investments can be obtained from the University of Johannesburg's Treasury office. The fair value of the investments is based on the closing market values and other appropriate valuation methodologies as at 31 December 2019. The valuations are performed by independent fund managers who manage the University's investments under agreed mandates.

The fair value financial assets are denominated in South African Rand (R).

12. Cash and cash equivalents

Cash on hand	155,670	208,444	137,563	171,247
Short term deposits	1,375,956	1,083,455	1,375,956	1,083,455
Net cash and cash equivalents	**1,531,626**	**1,291,899**	**1,513,519**	**1,254,702**

The fair value of cash and cash equivalents approximates its carrying amount.

The carrying amount of the University's cash and cash equivalents is denominated in South African Rand (R). The maximum exposure to credit risk at the reporting date is the carrying value of cash and cash equivalents. Management of credit risk is disclosed in note 30.

Notes to the Consolidated and Seperate Financial Statements

Figures in R `000

Cash and cash equivalents continued...

The following facilities have been approved by ABSA Bank:

Credit cards	2,000	2,000	2,000	2,000
Fleet cards	1,200	1,200	1,200	1,200
Letters of credit	2,000	2,000	2,000	2,000
ABSA housing scheme	500	500	500	500
Automated clearing bureau credits	15,900	15,900	15,900	15,900
Automated clearing bureau debits	4,500	4,500	4,500	4,500
Forward exchange contracts	300	300	300	300
Foreign exchange settlement limit	3,000	3,000	3,000	3,000
Guarantees	1,119	1,119	1,119	1,119

The following facilities have been approved by Bidvest Bank:

Spot	50,000	50,000	50,000	50,000
Forward	50,000	50,000	50,000	50,000
Trade	10,000	10,000	10,000	10,000

13. Trade and other payables

Financial Instruments				
Non-current				
Lease liability	8,609	-	8,609	-
	8,609	**-**	**8,609**	**-**
Current				
Trade and other payables	929,468	1,018,236	926,845	1,007,733
Lease liability	3,110	-	14,515	-
Accruals	90,513	106,593	87,412	106,276
	1,023,091	**1,124,829**	**1,028,772**	**1,114,009**
Non-Financial Instruments				
Non-current				
Provision for Deferred Compensation	1,534	19,798	1,534	19,798
Provision for City of Johannesburg	53,483	30,074	53,483	30,074
	55,017	**49,872**	**55,017**	**49,872**
Current				
Leave pay provision	68,793	66,879	68,793	66,879
Income Tax payable by subsidiaries	290	216	-	-
Value added tax	-	836	458	1,406
	69,083	**67,931**	**69,251**	**68,285**
Total trade and other payables	**1,155,800**	**1,242,632**	**1,161,649**	**1,232,166**

The fair values for trade and other payables above approximate their carrying amounts.

Notes to the Consolidated and Seperate Financial Statements

Figures in R `000	Consolidated 2019	Consolidated 2018	University 2019	University 2018

Trade and other payables continued...

Included in the Trade and other payables is NSFAS credits of Consolidated R148 682 / University R148 682 (2018: Consolidated R462 221) / University R462 211).

14. Student deposits and accounts in credit

At 1 January	227,005	182,143	220,901	172,663
Transfers/Deferred during the year	(40,392)	80,408	(39,544)	83,784
Increase in provision	(7,831)	(35,546)	(7,831)	(35,546)
At 31 December	178,782	227,005	173,526	220,901
Less: current portion	(178,782)	(227,005)	(173,526)	(220,901)
Non-current portion	-	-	-	-

Included in the current portion are amounts primarily for student accounts in credit of Consolidated R141 050 / University R141 050 (2018: Consolidated R143 401 / University R143 401), and income received in advance of Consolidated R29 683 / University R24 428 (2018: Consolidated R47 844 / University R41 740).

15. Borrowings

a) Government loans secured by increment guarantees Interest is charged at fixed rates for each loan that range between 8% and 14% per annum. These loans are repayable in annual payments of R879 514 over periods that range from 11 to 19 years. The annual interest and redemption payments are subsidised by the government at a rate of 85%.	1,406	2,034	1,406	2,034
b) Loans secured by Government guarantees Interest is charged at fixed rates for each loan that range between 7.5% and 17.5% per annum. These loans are repayable over periods that range from 20 to 40 years. The annual interest and redemption payments are subsidised by the government at a rate of 85%.	877	877	877	877
c) Other secured loans - Quantim Capital and INCA Interest is charged at rates that vary between 8.5% and 16% per annum and are linked to the prime interest rate. These loans are repayable over periods that range from 2 to 16 years. Loans are secured by mortgage bonds over land and buildings included under 'Buildings' in note 6. The gross carrying amount as at 31 December was R26 461.	-	7,726	-	-
	2,283	**10,637**	**2,283**	**2,911**

Notes to the Consolidated and Seperate Financial Statements

Figures in R `000	Consolidated 2019	Consolidated 2018	University 2019	University 2018

Borrowings continued...

The repayment dates of the University's borrowings at the reporting dates are as follows:

Up to 1 year	610	8,354	610	628
Between 1 and 2 years	796	610	796	610
Between 2 and 5 years	877	796	877	796
After 5 years	-	877	-	877
	2,283	10,637	2,283	2,911
Less: current portion	(610)	(8,354)	(610)	(628)
	1,673	2,283	1,673	2,283

The carrying amounts of short-term borrowings approximate their fair values as the impact of discounting is not significant. The University has no undrawn borrowing facilities.

The carrying amounts of the University's borrowings are denominated in South African Rand (R).

16. Deferred income

The Department of Higher Education and Training has been through a process commencing with the development of the Macro Infrastructure Framework (MIF) and culminating with detailed one-on-one discussions with each University regarding their funding applications which were uploaded onto the MIF web-based platform. Funds are allocated to each University in line with infrastructure plans based on the principles agreed upon through the MIF.

Opening balance as at 1 January	274,539	42,575	274,539	42,575
Grants received during the year	160,900	235,707	160,900	235,707
Grants utilised to reduce asset cost	(66,001)	(3,743)	(66,001)	(3,743)
	369,438	274,539	369,438	274,539
Non-current portion of deferred revenue	(274,275)	(113,492)	(274,275)	(113,492)
Current portion transferred to current liabilities	(95,163)	(161,047)	(95,163)	(161,047)
	(369,438)	**(274,539)**	**(369,438)**	**(274,539)**

17. Retirement benefit assets and obligations

Post-retirement medical benefits (note 17.1)	200,326	223,597	200,326	223,597
UJ Long service awards (note 17.4)	44,792	43,294	44,792	43,294
	245,118	266,891	245,118	266,891

Reconciliation of the actuarial gains / (losses) on long term employee benefits:

Post-retirement medical benefits	34,940	15,911	34,940	15,911
UJ Pension fund	(31,097)	116,520	(31,097)	116,520
UJ Disability fund	(9,002)	(34,669)	(9,002)	(34,669)
UJ Long service awards	3,945	2,670	3,945	2,670
	(1,214)	100,432	(1,214)	100,432

Notes to the Consolidated and Seperate Financial Statements

Figures in R `000	Consolidated 2019	Consolidated 2018	University 2019	University 2018
Retirement benefit assets and obligations continued...				
Reconciliation of the change in asset limit:				
UJ Pension fund	49,743	(52,731)	49,743	(52,731)
UJ Disability fund	(10,211)	(35,198)	(10,211)	(35,198)
	39,532	(87,929)	39,532	(87,929)
Net Actuarial gain(losses) on defined benefit plans	38,318	12,503	38,318	12,503
UJ pension fund (note 17.2)	64,321	62,182	64,321	62,182

Amounts for the latest actuarial valuation and previous three periods are as follows:

	2016	2017	2018	2019
Defined benefit obligation (note 17.1 and 17.4)	(265,965)	(266,738)	(266,573)	(245,118)
Fair value of plan assets (note 17.2)	65,093	65,024	62,182	64,321
Retirement benefit obligation	(200,872)	(201,714)	(204,391)	(180,797)

17.1 Post-retirement medical benefits - Wholly unfunded

The University provides post-retirement medical benefits to certain qualifying employees in the form of continued medical aid contributions. Their entitlement to these benefits is dependent on the employee remaining in service until retirement. The accumulated post- retirement medical obligation and annual cost of those benefits is determined annually by independent actuaries. The actuarially determined liability based on the University’s current practice of funding a portion of its retirees and in service members medical aid was valued at 31 December 2019.

Present value of the obligation	(200,326)	(223,597)	(200,326)	(223,597)
	(200,326)	(223,597)	(200,326)	(223,597)
Reconciliation of the movement in the defined benefit obligation:				
Present value of obligation: beginning of the year	(223,597)	(226,209)	(223,597)	(226,209)
Current service cost	(3,108)	(3,564)	(3,108)	(3,564)
Interest cost	(21,453)	(21,132)	(21,453)	(21,132)
Benefits paid	12,892	11,397	12,892	11,397
	(235,266)	(239,508)	(235,266)	(239,508)
Less remeasurements:				
- (Gain)/loss from change in financial assumptions	(13,705)	(19,638)	(13,705)	(19,638)
- (Gain)/loss from change in demographic assumptions	(21,235)	3,727	(21,235)	3,727
	(34,940)	(15,911)	(34,940)	(15,911)
Present value of obligation: end of the period	(200,326)	(223,597)	(200,326)	(223,597)

Notes to the Consolidated and Seperate Financial Statements

Figures in R `000	Consolidated 2019	Consolidated 2018	University 2019	University 2018

Retirement benefit assets and obligations continued...

The risks faced by UJ as a result of the post-employment healthcare obligation are as follows:

- Inflation: The risk that future CPI Inflation and healthcare cost Inflation are higher than expected and uncontrolled.
- Longevity: The risk that pensioners live longer than expected and thus their healthcare benefit is payable for longer than expected.
- Open-ended, long-term liability: The risk that the liability may be volatile in the future and uncertain.
- Future changes in legislation: The risk that changes to legislation with respect to the post-retirement healthcare liability may increase the liability for UJ.
- Future changes in the tax environment: The risk that changes in the tax legislation governing employee benefits may increase the liability for UJ.
- Perceived inequality by non-eligible employees: The risk that dissatisfaction of employees who are not eligible for a post-employment healthcare subsidy.
- Administration: Administration of this liability poses a burden to UJ.
- Enforcement of eligibility criteria and rules: The risk that eligibility criteria and rules are not strictly or consistently enforced.

In estimating the unfunded liability for post-employment medical care, the following assumptions are made:

Effective date of assumptions	31-Dec-19	31-Dec-18	31-Dec-19	31-Dec-18
Post retirement plan				
Discount rate	10.50%	9,90%	10.50%	9,90%
Health care cost inflation	7.90%	8,10%	7.90%	8,10%
Expected retirement age	65 yrs	65 yrs	65 yrs	65 yrs
CPI Inflation	5.90%	6,10%	5.90%	6,10%
UJ's best estimate of contributions and benefits expected to be paid to the plan during the annual period beginning after reporting date:	(11,397)	(12,892)	(11,397)	(12,892)

The sensitivity of the defined benefit obligation to changes in the weighted principle assumptions is:

		Impact on defined benefit obligation	
	Change in assumption	**Increase in assumption**	**Decrease in assumption**
Healthcare cost inflation	1,00%	Increase by 12.9%	Decrease by 10.8%
Discount rate	1,00%	Decrease by 10.0%	Increase by 12.0%
		Increase by 1 year in assumption	**Decrease by 1 year in assumption**
Expected retirement age		Decrease by 2.4%	Increase by 2.2%

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method has been applied as when calculating the pension liability recognised within the statement of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

Notes to the Consolidated and Seperate Financial Statements

Figures in R `000	Consolidated 2019	Consolidated 2018	University 2019	University 2018

Retirement benefit assets and obligations continued...

17.2 Pension obligations - Wholly funded

The University has established post retirement pension schemes that cover all employees. Presently there are two defined benefit plans and two defined contribution plans. The first defined benefit plan is a final salary plan that has a defined contribution element in that should the plan assets exceed the defined benefit obligation, employees are entitled to that surplus. The second is a final salary plan as defined and is funded. The assets of the fund are held in an independent trustee administered fund in terms of the Pensions Fund Act of 1956, as amended. The pension fund is valued by independent actuaries on an annual basis using the Projected Unit Credit Method.

The latest full actuarial valuation of the pension fund was performed on the 31 December 2019. Contributions to the provident fund are charged to the statement of profit or loss and comprehensive income in the year in which they are incurred.

	Consolidated 2019	Consolidated 2018	University 2019	University 2018
Balance at end of the year				
Present value of the obligation	(768,770)	(809,364)	(768,770)	(809,364)
Fair value of plan assets	1,348,019	1,312,612	1,348,019	1,312,612
Unrecognised surplus due to IAS 19(a) limit	(513,056)	(441,066)	(513,056)	(441,066)
Defined benefit surplus at 31 December	66,193	62,182	66,193	62,182

The paragraph 65 limit ensures that the asset recognised in the financial position is subject to a maximum of the present value of any economic benefits available to the University in the form of refunds of reductions in future contributions.

Reconciliation of the present value of the obligation

	Consolidated 2019	Consolidated 2018	University 2019	University 2018
Defined benefit obligation at beginning of the year	809,364	798,158	809,364	798,158
Member contributions	1,593	2,120	1,593	2,120
Service cost	5,156	5,816	5,156	5,816
Interest cost	72,134	67,203	72,134	67,203
	888,247	873,297	888,247	873,297
Remeasurements:				
- Actuarial (gain)/loss	(24,036)	(16,984)	(24,036)	(16,984)
Benefit payments	(95,441)	(46,949)	(95,441)	(46,949)
Defined benefit obligation at 31 December	**768,770**	**809,364**	**768,770**	**809,364**

Reconciliation of the fair value of plan assets

	Consolidated 2019	Consolidated 2018	University 2019	University 2018
Fair Value of assets as at 1 January	1,312,612	1,371,016	1,312,612	1,371,016
University contributions	3,075	3,786	3,075	3,786
Member contributions	1,593	2,120	1,593	2,120
	1,317,280	1,376,922	1,317,280	1,376,922
Remeasurements:				
-Net interest income/expense	119,119	116,143	119,119	116,143
-Actuarial gain/(loss)	7,061	(133,504)	7,061	(133,504)
	126,180	(17,361)	126,180	(17,361)
Benefits paid	(95,441)	(46,949)	(95,441)	(46,949)
Fair Value of assets as at 31 December	**1,348,019**	**1,312,612**	**1,348,019**	**1,312,612**

Notes to the Consolidated and Seperate Financial Statements

Figures in R `000

Retirement benefit assets and obligations continued...

The actual return on plan assets is as follows:	126,180	(17,361)	126,180	(17,361)

The risks faced by UJ as a result of the defined benefit obligation are as follows:

- Inflation: The risk that future CPI Inflation is higher than expected and uncontrolled. This would lead to greater than expected pension and salary increases which would increase the liability to the University.
- Longevity: The risk that pensioners live longer than expected and thus their healthcare benefit is payable for longer than expected.
- Open-ended, long-term liability: The risk that the liability may be volatile in the future and uncertain.
- Future changes in legislation: The risk that changes to legislation with respect to the post-retirement liability may increase the liability
- Future changes in the tax environment: The risk that changes in the tax legislation governing employee benefits may increase the liability
- Administration: Administration of this liability poses a burden to UJ.

The assets of the University of Johannesburg Defined Benefit Pension Fund were invested as follows:

Cash	8.40%	3.55%	8.40%	3.55%
Equity	43.91%	45.98%	43.91%	45.98%
Bonds	21.11%	21.67%	21.11%	21.67%
Property	2.26%	2.03%	2.26%	2.03%
International	22.26%	24.48%	22.26%	24.48%
Other	2.06%	2.29%	2.06%	2.29%
Total	100 %	100 %	100 %	100 %

Plan assets are valued at the current market value as required by IAS 19 as at 31 December 2018.

Discount rate	9.00%	9.40%	9.00%	9.40%
Inflation rate	4.60%	5.60%	4.60%	5.60%
Salary increase rate	5.60%	6.60%	5.60%	6.60%
Pension increase allowance (Ex-NTRF)	2.53%	3.08%	2.53%	3.08%
Pension increase allowance (Other pensioners)	3.64%	3.64%	3.64%	3.64%

UJ's best estimate of contributions expected to be paid to the plan during the annual period beginning after reporting date:	4,859	6,023	4,859	6,023

Sensitivity Analysis

It is important to treat the results of the valuation with a degree of caution, as they are extremely sensitive to the assumptions used.

The valuation results set out above are based on a number of assumptions. The value of the liability could turn out to be overstated or understated, depending on the extent to which actual experience differs from the assumptions adopted

We recalculated the liability to show the effect of:

- the discount rate assumption on the defined benefit obligation by adding and subtracting 1% to the discount rate; and
- the inflation assumption on the defined benefit obligation by adding and subtracting 1% to the inflation rate.

Notes to the Consolidated and Seperate Financial Statements

Figures in R `000

Retirement benefit assets and obligations continued...

	Obligation	+1%	-1%
Discount rate			
Defined benefit obligation	(768,770)	(710,871)	(843,160)
Change		(7.5%)	9.70%
Inflation rate			
Defined benefit obligation	(768,770)	(814,590)	(729,840)
Change		6.00%	(5.1%)

17.3 Disability Fund

The University provides post-retirement disability benefits to certain qualifying employees in the form of continued disability contributions. Their entitlement of these benefits continue to the end of the year in which the claimant reached the age of 65 and increase annually. The accumulated disability obligation and annual cost of those benefits is determined annually by independent actuaries. The actuarially determined liability which is reduced by the payments received from reinsurers was valued at 31 December 2019.

Balance at end of the year				
Present value of the obligation	(45,324)	(34,073)	(45,324)	(34,073)
Fair value of plan assets	172,540	160,617	172,540	160,617
Unrecognised surplus due to IAS 19(a) limit	(127,216)	(126,544)	(127,216)	(126,544)
Defined benefit surplus at 31 December	-	-	-	-

The paragraph 65 limit ensures that the asset recognised in the financial position is subject to a maximum of the present value of any economic benefits available to the University in the form of refunds of reductions in future contributions.

Reconciliation of the movement in the defined benefit obligation:				
Present value of obligation: beginning of the year	34,073	25,815	34,073	25,815
Current service cost	1,159	509	1,159	509
Interest cost	2,519	1,930	2,519	1,930
	37,751	28,254	37,751	28,254
- Actuarial (gain)/loss	18,293	10,309	18,293	10,309
Benefits paid (net of reinsurance proceeds)	(10,702)	(4,490)	(10,702)	(4,490)
Present value of obligation: end of year	45,342	34,073	45,342	34,073

Reconciliation of the movement in the plan assets:				
Present value of assets beginning of the year	160,617	175,438	160,617	175,438
Contributions (net of reinsurance premiums)	(1,159)	(509)	(1,159)	(509)
Value of assets as at 31 December	159,458	174,929	159,458	174,929

Notes to the Consolidated and Seperate Financial Statements

Figures in R `000

Retirement benefit assets and obligations continued...

Remeasurements:				
-Net interest income/expense	13,352	14,029	13,352	14,029
-Actuarial (loss)/gain	9,291	(24,360)	9,291	(24,360)
	22,643	(10,331)	22,643	(10,331)
Benefits (net of reinsurance premiums)	(9,561)	(3,981)	(9,561)	(3,981)
Value of assets as at 31 December	172,540	160,617	172,540	160,617
The actual return on plan assets is as follows:	22,643	(10,331)	22,643	(10,331)

The assets of the University of Johannesburg Disability Fund were invested as follows:

Cash	(0.37%)	(7.01%)	(0.37%)	(7.01%)
Equity	44.61%	51.10%	44.61%	51.10%
Bonds	17.72%	16.45%	17.72%	16.45%
Property	7.41%	11.41%	7.41%	11.41%
International	26.81%	26.47%	26.81%	26.47%
Other	3.82%	1.58%	3.82%	1.58%
Total	100 %	100 %	100 %	100 %

Plan assets are valued at the current market value as required by IAS 19 as at 31 December 2019.

Claimants				
Number of members	25	22	25	22
Annual benefit	10,125	8,279	10,125	8,279
Annual reinsured benefit	1,830	2,605	1,830	2,605
Benefit weighted average service	58.0 yrs	58.0 yrs	58.0 yrs	58.0 yrs
Effective date of assumptions	31 Dec 2019	31 Dec 2018	31 Dec 2019	31 Dec 2018
The principal assumptions used for accounting purposes were as follows:				
General inflation rate	3.70%	5.20%	3.70%	5.20%
Discount rate	7.90%	8.60%	7.90%	8.60%
Expected increases in benefits	4.70%	6.20%	4.70%	6.20%

The University's best estimate is that no contributions are expected to be paid to the plan during the annual period beginning after reporting date.

The sensitivity of the defined benefit obligation to changes in the weighted principle assumptions is:

		Impact on defined benefit obligation	
	Change in assumption	**Increase in assumption**	**Decrease in assumption**
Inflation rate	1.00%	Increase by 5.8%	Decrease by 5,3%
Discount rate	1.00%	Decrease by 4,5%	Increase by 4.9%

Notes to the Consolidated and Seperate Financial Statements

Figures in R `000	Consolidated 2019	Consolidated 2018	University 2019	University 2018

Retirement benefit assets and obligations continued...

The fund is not registered with the FSB.

The benefits of the fund are payable to the current claimants under the fund.

The fund liability is reduced by the payments received from the reinsurers.

The employees of the University of Johannesburg are entitled to a disability benefit which is housed in a fund. The University of Johannesburg contributes to the insurance policy for the disability funding of their permanent employees. However there is nothing in the fund rules that eliminates the University of Johannesburg’s obligation to the employees in the event of the insurance policy not being able to cover the deficit or in the event that there is insufficient assets in the fund. The benefit paid to the disabled employee does not depend on the length of service.

The University of Johannesburg entered into a contract with Guardrisk Life Limited under which Guardrisk Life Limited (Insurer) has underwritten, on payment of a lump sum due in terms of this policy, to provide assurance for eligible employees of the University of Johannesburg.

An eligible employee is an employee of the University of Johannesburg who is employed for at least 24 hours a week. The assurance provided is in respect of disability of a member to the fund. Guardrisk Life Limited has now undertaken to manage the fund and the disability claims. The entity previously had a fund with Momentum. There are members of this fund which have become partially disabled. The initial Momentum Disability Policy will continue to pay 75% of the disability claimant’s benefits; the remainder is paid by Guardrisk Life Limited now. The effective date for the policy is 1 January 2016 per the signed contract. The premium was paid on 1 December 2014 and the balance sheet and income statement of this insurance policy was accounted from this date.

A member's membership of the fund shall be terminated on the earliest of the following events:
a) The death of the member; or
b) The member attaining normal retirement age; or
c) The member ceasing to be a member of the Fund; or
d) Discontinuance of the payment of premiums in respect of a member; or
e) Absence of the member as defined; or
f) The permanent departure of the member from the territories in terms of the contract unless accepted in writing.

The University of Johannesburg (Policyholder) shall bear the cost of the premiums required to provide the Benefits to the Members and shall pay the premiums and administrative charges due to the Insurer. The amount of premiums payable to secure the Benefits under this policy shall be calculated by the Insurer in accordance with the scale of premium rates in force under this policy at the date of calculation and will be based on information given to the Insurer by the Policyholder. The profit accumulation of the fund may be used to maintain benefits that could be adversely affected by circumstances beyond the control of the Policyholder. This utilisation of the profit share shall constitute a claim against the policy. The maximum accumulated value of claims may not exceed the accumulated profit. The Insurer's liability in this regard will not exceed the Benefit for which the Policyholder has paid premiums to the Insurer. In this case UJ might have an obligation towards the employees should the policy not have sufficient funds. The contract with Guardrisk life Limited did not impact on any previous accounting treatment and is accounted for on the same basis as in the past.

The risks faced by UJ as a result of the defined benefit obligation are as follows:

- Inflation: The risk that future CPI Inflation is higher than expected and uncontrolled. This would lead to greater than expected benefit
- Long-term liability: The risk that the liability may be volatile in the future and uncertain.
- Future changes in legislation: The risk that changes to legislation with respect to the post-retirement liability may increase the liability for
- Future changes in the tax environment: The risk that changes in the tax legislation governing employee benefits may increase the liability

Notes to the Consolidated and Seperate Financial Statements

Figures in R `000

Retirement benefit assets and obligations continued...

17.4 Long service award

The University awards long service payments to qualifying staff as predetermined milestones are reached. The actuarially determined liability which is reduced by the provision made by the University was valued at 31 December 2019. This obligation is funded from University's reserves.

Reconciliation of the movement in the long service award obligation:				
Present value of obligation: beginning of the year	42,976	40,529	42,976	40,529
Current service cost	5,687	5,534	5,687	5,534
Interest cost	3,944	3,808	3,944	3,808
	52,607	49,871	52,607	49,871
- Actuarial (gain)/loss	(3,945)	(2,670)	(3,945)	(2,670)
Benefits paid	(3,870)	(4,225)	(3,870)	(4,225)
Present value of obligation: end of period	**44,792**	**42,976**	**44,792**	**42,976**
The University's best estimate of awards expected to be paid to employees during the annual period beginning after reporting date:	5,051	3,870	5,051	3,870
The significant actuarial assumptions were as follows:				
Discount rate	9.30%	9.60%	9.30%	9.60%
Salary inflation	6.40%	7.40%	6.40%	7.40%
CPI inflation	4.90%	5.90%	4.90%	5.90%
Expected retirement age	65 yrs	65 yrs	65 yrs	65 yrs

The sensitivity analysis of the liability to changes in the principal assumptions is:

	Change in assumption	**Increase in assumption**	**Decrease in assumption**
Discount rate	1%	Decrease by 7.0%	Increase by 7.98%
Salary inflation	1%	Increase by 7.8%	Decrease by 7.0%
Expected retirement age	1 year	Increase by 3.92%	Decrease by 3.98%

18. State appropriations - subsidies and grants

Block grant	2,346,636	1,830,643	2,346,636	1,830,643
University capacity development	47,553	49,327	47,553	49,327
Foundation phase development	44,137	40,128	44,137	40,128
Interest and redemption of government approved loans	730	729	730	729
Clinical training of health professionals	8,885	8,617	8,885	8,617
Zero-percent increase grant	-	16,216	-	16,216
	2,447,941	**1,945,660**	**2,447,941**	**1,945,660**

Notes to the Consolidated and Seperate Financial Statements

Figures in R `000	Consolidated 2019	Consolidated 2018	University 2019	University 2018
19. Tuition and other fee income				
Tuition Fees	1,683,976	1,586,085	1,684,565	1,586,109
Registration Fees	35,202	35,522	35,202	35,522
Levy Income	33,336	33,975	33,336	33,975
Deposit Income Retained	219	210	219	210
Other Fees	272	689	272	689
Tuition and other related fees	1,753,005	1,656,481	1,753,594	1,656,505
Residence Fees	205,356	193,815	195,200	180,581
	1,958,361	1,850,296	1,948,794	1,837,086
20. Other operating income				
Sundry income	5,044	809	4,810	36
Hire out of facilities	7,083	10,749	8,136	9,524
Consultation/Evaluation income	26,423	24,256	26,423	24,256
Project income	24,710	35,982	21,780	27,261
Public sales and services	111,420	98,321	79,973	65,279
Other income	9,063	8,923	9,063	8,923
Insurance claim	753	3,545	753	2,934
PPE gains	495	87	495	34
Donations	173,262	212,090	188,262	252,089
Total other income	**358,253**	**394,762**	**339,695**	**390,336**
21. Personnel costs				
Academic professionals	1,147,682	1,159,964	1,132,766	1,141,879
Support personnel	1,400,727	1,174,170	1,382,522	1,155,864
Other post-retirement costs	10,849	47,404	10,708	46,665
Pension cost - defined contribution plans	219,727	152,470	216,871	150,093
Pension cost - defined benefit plans	10,960	14,754	10,817	14,524
	2,789,945	**2,548,762**	**2,753,685**	**2,509,025**
Average number of personnel in service at the University of Johannesburg and its subsidiaries during the year:				
Full Time	4,423	4,415	4,348	4,381
Part Time	3,674	3,888	3,674	3,588
22. Bursaries Awarded				
Student bursaries awarded	479,423	440,915	479,423	440,915

Notes to the Consolidated and Seperate Financial Statements

Figures in R `000	Consolidated 2019	Consolidated 2018	University 2019	University 2018
23. Other expenses				
Other expenses comprise:				
Auditors remuneration	18,256	18,772	18,230	18,711
- external audit	8,152	6,920	8,164	6,920
- internal audit	5,164	5,269	5,164	5,269
- other audit services	4,940	6,583	4,902	6,522
Advertising	34,754	33,106	34,188	32,934
Bank charges	4,908	5,604	4,836	5,512
Books and periodicals	135,088	116,569	135,088	116,466
Cartridges	4,214	4,206	4,211	4,206
Cleaning	17,473	18,859	16,824	18,373
Conference registration fees	15,769	22,198	15,768	22,281
Consulting fees	82,290	84,754	80,612	84,325
Copyright fees	5,900	5,737	5,900	5,737
Corporate functions	9,592	5,903	9,592	5,906
Cost of sales	8,915	9,001	8,812	8,729
Data lines	7,140	7,680	7,140	7,680
Foreign exchange (gains)/losses	(2,574)	2,872	(2,574)	2,870
Fuel, Oil and Gas	8,675	10,728	8,393	10,416
Functions and entertainment	32,837	38,932	45,557	38,979
Grants and donations	17	962	17	45,740
Hire - equipment	13,220	21,142	30,923	22,038
Impairment/(reversal of impairment) of student and other debt	56,782	55,442	56,675	54,707
Insurance	11,133	10,548	11,124	10,544
Leases - Equipment and vehicles	25,733	26,196	25,733	26,510
Legal expense	10,139	8,634	10,124	8,348
Medical Aid Pensioners	10,708	11,015	10,708	11,015
Membership fees	10,887	7,514	10,852	7,502
Municipal rates, taxes and electricity	184,909	180,991	175,864	169,568
Other expenses	159,304	94,200	184,806	91,560
Printing	26,989	26,666	26,719	26,493
Protective clothing	5,744	8,250	5,420	8,027
Repairs and maintenance	121,284	146,556	126,062	157,932
Security contracts	26,663	27,841	26,663	27,243
Services Rendered - outsourced	48,487	56,396	48,776	38,911
Software licenses	55,959	50,796	55,534	50,202
Staff development	17,456	19,500	16,860	19,434
Stationery	4,365	4,204	4,292	4,140
Student expenses	68,306	49,876	19,006	49,891
Tax expense in subsidiaries	731	-	10	-
Teaching and laboratory consumables	34,243	33,934	33,820	33,823
Telephone and fax	3,390	4,399	2,999	3,882
Travel and accommodation	108,627	100,585	108,599	100,474
	1,388,313	**1,330,568**	**1,384,163**	**1,351,109**

Notes to the Consolidated and Seperate Financial Statements

Figures in R `000

24. Impairment (losses)

Loans to subsidiaries and other entities (note 8)	(150)	(15)	(150)	(14,841)

25. Finance income

Student fees	28,651	19,292	28,455	19,154
Current accounts	7,404	8,331	5,759	6,867
	36,055	**27,623**	**34,214**	**26,021**

26. Finance costs

Borrowings	628	1,841	232	297
Lease liability	45	-	493	-
Defined benefit plan	4,313	4,358	4,313	4,358
	4,986	**6,199**	**5,038**	**4,655**

27. Income from investments

Dividends on fair value through profit or loss financial assets	50,965	57,544	33,146	39,902
Interest on fair value through profit or loss financial assets	217,896	185,037	201,724	168,890
	268,861	**242,581**	**234,870**	**208,792**

28. Investments fair value gains/(losses)

Fair value movement transfer on disposal of investments	114,531	162,260	90,121	92,923
Profit on sale of investments	235,042	376,844	180,427	265,699
Loss on sale of investments	(120,511)	(214,584)	(90,305)	(172,776)
Unreaslied fair value movement transfer on investments	100,037	(368,991)	65,954	(241,295)
Unreaslied profit	4,064,510	3,526,023	2,873,550	2,350,965
Unrealised loss	(3,964,473)	(3,895,014)	(2,807,597)	(2,592,260)
Fair value movement on investments	**214,568**	**(206,731)**	**156,075**	**(148,372)**

Notes to the Consolidated and Seperate Financial Statements

Figures in R `000	Consolidated 2019	Consolidated 2018	University 2019	University 2018

29. Related parties

The University of Johannesburg controls or owns shares of the following entities:

Entity and principal business activities	Year End	Shareholding	Principal place of business
• Million Up Trading (Pty) Ltd The principal activities of this company is to provide accommodation to students.	31 December	100%	Cnr University and Kingsway Rd, Auckland Park
• Resolution Circle (Pty) Ltd Resolution Circle is a training hub that prides itself on providing experiential learning opportunities to undergraduate electrical and mechanical engineering students from universities of technology, practical in- service project training, various short- learning and candidacy programs applicable to the ever-changing world of engineering and engineering technology.	31 December	100%	Cnr Barry Hertzog Rd and Napier Rd, Richmond
• ARSA (Pty) Ltd The principal activities of this company is to purchase private properties on behalf of the University. The company was deregistered in 2019.	31 December	100%	Cnr University and Kingsway Rd, Auckland Park
• UJ Properties (Pty) Ltd The principal activities of this company is engaged in property holding and operates principally in South Africa.	31 December	100%	Cnr Barry Hertzog Rd and Napier Rd, Richmond
• Gradnet Portal (Pty) Ltd The principal activities of this company is to supply online services to students and alumni of education institutions. Liquidation commenced in 2019.	31 December	100%	Cnr University and Kingsway Rd, Auckland Park
• City Lodge Educational Trust The Trust is a separate entity with the University being its sole beneficiary. The principal activity of the Trust is to maintain its assets for capital growth and for the sole benefit of the University through an annual distribution. The funds are managed by an independent Board of Trustees, 2 apointed by City Lodge and 2 appointed by the University of Johannesburg.	30 June	N/A	Cnr University and Kingsway Rd, Auckland Park
• UJ Trust The UJ Trust is a related party to the University of Johannesburg by virture of control vesting in the Trustees, as appointed by the University, as well as the University being its sole beneficiary. The Trust's main objective is to support the strategic objectives of the University financially in its capacity as a PBO.	31 December	N/A	Cnr University and Kingsway Rd, Auckland Park

Notes to the Consolidated and Seperate Financial Statements

Figures in R `000	Consolidated 2019	Consolidated 2018	University 2019	University 2018

Related parties continued...

	Year End	Shareholding	Principal place of business
• UDEV (Pty) Ltd Main objects of the Company: Economic upliftment; Job creation; Urban renewal; Property development; and Community development. The company was deregistered in 2019.	31 December	100%	Cnr University and Kingsway Rd, Auckland Park
• Enerkey Solutions (Pty) Ltd Dormant entity in process of deregistration.	31 December	100%	Cnr University and Kingsway Rd, Auckland Park
• IntelliLAB (Pty) Ltd Inactive company in process of liquidation.	31 December	100%	Cnr University and Kingsway Rd, Auckland Park
• UJInvnt (Pty) Ltd The Company is a wholly- owned (100%) private holding company of the Shareholder, established for the following purpose: * the commercialisation on behalf of the University including, but not limited, to the following: Intellectual Property, providing technical and training services, consultancy services and courses; and * a Company that will hold shareholding on behalf of the Shareholder, and act as the Holding Company for commercial activities.	31 December	100%	Cnr University and Kingsway Rd, Auckland Park

The University of Johannesburg has an interest in the following companies:
All related parties with a Year End's other than December are consolidated up to December.

		Shareholding		
	Year End	University of Johannesburg	Non-controlling interest	Principal place of business
• Bio Media Technologies (Pty) Ltd The principal activities of this company is to develop facial recognition software. The company was deregistered at CIPC in 2019 .	31 December	50.00%	50.00%	Cnr University and Kingsway Rd, Auckland Park
• Conceptua Survey Solutions (Pty) Ltd Provide a novel means of imaging coal stockpiles aerially, using advanced image processing algorithms to very accurately quantify the volumes thereof. The software is not restricted to coal stockpiles but can be expanded to provide the same function for any commodity, such as grain, ore, etc. and represents a lucrative commercial opportunity. The company was deregistered at CIPC in 2019.	31 December	25.00%	75.00%	Cnr University and Kingsway Rd, Auckland Park

Notes to the Consolidated and Seperate Financial Statements

Figures in R `000	Consolidated 2019	Consolidated 2018	University 2019	University 2018

Related parties continued...

		Shareholding		
	Year End	University of Johannesburg	Non-controlling interest	Principal place of business
• Naledi Computer Systems (Pty) Ltd The principal activities of this company is to provide computer related services, products and technology. Liquidation has commenced in 2019.	31 December	80.00%	20.00%	Forty Four Main Street, Johannesburg
• Verisol (Pty) Ltd The principal activities of this company is to provide an electronic verification system where academic results and qualifications can be verified.	28 February	10.00%	N/A	17 Quantum Street Techno Park, Stellenbosch
• Photovoltaic Intellectual Property (Pty) Ltd The principal activities of this company is to research, develop and manufacture a renewable energy photovoltaic panel. Currently under Business Rescue.	28 February	38.44%	N/A	Zidela House, 30 Techno Avenue, Techno Park, Stellenbosch
• University Sports Company (Pty) Ltd The principal business of the company is to promote High Performance Sport in furtherance of the various sporting activities offered by Member Universities as envisaged in the CMRA. This includes, but will not be limited to, the administration, development and co- ordination of High performances Sport for Member Universities after consultation with the USSA NEC.	31 December	4.00%	N/A	Cnr University and Kingsway Rd, Auckland Park
• EyeThenticate (Pty) Ltd Retina scanning technology. Liquidation commenced in 2019.	28 February	43.80%	N/A	Cnr University and Kingsway Rd, Auckland Park
• Youth Development Institute of South Africa YDISA was established to conduct youth development research, develop youth development programmes and projects, implement in pilot youth development programmes, develop models for the youth sector, manage and disseminate youth development knowledge and inform youth related policies. MOA between partners, UJ and the NYDA came to an end in 30 March 2019 with the entity in process of dissolution.	31 December	50.00%	N/A	Cnr University and Kingsway Rd, Auckland Park
• Praestet (Pty) Ltd Production of paediatric hospital beds that effectively facilitates treatment of children in hospital. Shareholding still in process of being resolved.	31 December	N/A	N/A	115 Roseways 17 Tyrwhitt Avenue Roseways

Notes to the Consolidated and Seperate Financial Statements

Figures in R `000	Consolidated 2019	Consolidated 2018	University 2019	University 2018

Related parties continued...

29.1 Key Management personnel

The following are considered to be related parties to the University:
· University Council members; and
· Management comprises the members of the Management Executive Committee, Executive Deans of Faculties, and Executives.

Compensation paid to key management and members of Council

	Consolidated 2019	Consolidated 2018	University 2019	University 2018
Salaries and other short-term employee benefits				
- members of council	650	652	650	652
- management (note 37)	75,345	61,988	75,345	61,988
	75,996	62,640	75,996	62,640

	Consolidated 2019	Consolidated 2018	University 2019	University 2018
Members of Council				
Baleni MF	66	59	66	59
Ditsego T	4	-	4	-
Dlamini S	34	55	34	55
Gebhardt CR	4	-	4	-
Gugushe K	69	67	69	67
Hildebrandt D	25	42	25	42
Kakana X	68	38	68	38
Khosa G	35	52	35	52
Khoza M	13	-	13	-
Khumalo M	21	-	21	-
Mateza L	4	-	4	-
Matlala Z	36	41	36	41
Memela Khambule T	19	37	19	37
Ndema Y	66	39	66	39
Rowland W	112	111	112	111
Teke MS	70	98	70	98
Van Staden C	4	13	4	13
	650	652	650	652

Notes to the Consolidated and Seperate Financial Statements

Figures in R `000	Consolidated 2019	Consolidated 2018	University 2019	University 2018

Related parties continued...

Payment to members of Council

Payment for attendance at meetings of the Council and its sub-committees

To whom paid	Number of Members	Attendance at meetings – aggregate amount paid R'000	Reimbursement of expenses - aggregate paid
31 December 2019			
Chair of Council	2	136	-
Chairs of Committees	6	275	9
Members of Council	8	235	-
Non Council Members	1	4	-
31 December 2018			
Chair of Council	2	137	-
Chairs of Committees	6	315	5
Members of Council	4	195	-

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29.2 Related party transactions and balances

Loans to related parties:

Consolidated	Photovoltaic Intellectual Property (Pty) Ltd		EyeThenticate (Pty) Ltd		Naledi Computer Systems (Pty) Ltd		Praestet (Pty) Ltd		Zepher		Enerkey Solutions (Pty) Ltd		Total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Opening balance	15,118	13,700	3,820	-	(2,783)	(2,783)	3,335	3,185	589	-	-	5	20,079	14,107
Loans advances during year	654	1,418	5,532	3,820	-	-	-	150	-	589	-	-	6,186	5,977
Loans repayment received	(10,000)	-	-	-	-	-	-	-	-	-	-	(5)	(10,000)	(5)
Closing balance	5,772	15,118	9,352	3,820	(2,783)	(2,783)	3,335	3,335	589	589	-	-	16,265	20,079

Impairment on loans made to associates was recognised in the current year, to the amount of R0 (2018: R0). This impairment relates to the loan provided to PTIP.

University	Photovoltaic Intellectual Property (Pty) Ltd		Resolution Circle (Pty) Ltd		Isibaya Somnotho Trust		Innovative Aquaculture Holdings (Pty) Ltd *		Gradnet Portal (Pty) Ltd		Intellilab (Pty) Ltd		EyeThenticate (Pty) Ltd	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Opening balance	15,118	13,700	5,190	1,790	-	5	-	10	-	1,383	-	-	-	-
Loans advances during year	654	1,418	-	11,490	-	-	-	-	-	-	-	538	-	4,063
Loans repayment received	(10,000)	-	(4,663)	(1,790)	-	(5)	-	-	-	(1,383)	-	-	-	-
Reallocation/Write off	-	-	-	-	-	-	-	(10)	-	-	-	-	-	-
Impairment of loan	-	-	-	(6,300)	-	-	-	-	-	-	-	(538)	-	(4,063)
Closing balance	5,772	15,118	527	5,190	-	-	-	-	-	-	-	-	-	-

University	UDEV (Pty) Ltd		Enerkey Solutions (Pty) Ltd		Kutu Capital (Pty) Ltd		Praestet (Pty) Ltd		Sentimeter		SugaRushed Records (Pty) Ltd		Total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	0	0	2019	2018
Opening balance	-	250	-	5	-	5	-	3,185	-	5	-	-	20,308	20,338
Loans advances during year	-	-	-	-	-	-	150	150	-	-	-	-	804	17,659
Loans repayment received	-	(250)	-	(5)	-	(5)	-	-	-	(5)	-	-	(14,663)	(3,443)
Reallocation/Write off	-	-	-	-	-	-	-	-	-	-	-	-	-	(10)
Impairment of loan	-	-	-	-	-	-	(150)	(3,335)	-	-	-	-	(150)	(14,236)
Closing balance	-	-	-	-	-	-	-	-	-	-	-	-	6,299	20,308

Impairment on loans made to associates was recognised in the current year, to the amount of R0 (2018: R0). This impairment relates to the loan provided to PTIP.

The loans are unsecured, bear no interest and have no repayment terms.

* Innovative Aquaculture Holdings (Pty) Ltd, is no longer a subsidiary of the University from 2018.

Investments in related parties:

Consolidated	Photovoltaic Intellectual Property (Pty) Ltd	
	2019	2018
Opening balance	-	-
Investments during year	-	-
Impairment of investment	-	-
Closing balance	-	-

University	UJIvent (Pty) Ltd		UJ Properties (Pty) Ltd		EyeThenticate (Pty) Ltd		Gradnet Portal (Pty) Ltd		Total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Opening balance	-	-	90,636	90,636	-	-	3,605	3,605	94,241	94,241
Investments during year	45	-	-	-	-	-	-	-	45	-
Impairment of investment	-	-	-	-	-	-	-	-	-	-
Closing balance	45	-	90,636	90,636	-	-	3,605	3,605	94,286	94,241

Notes to the Consolidated and Seperate Financial Statements

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29.3 Related party transactions and balances

The following transactions were carried out with related parties

(a) Purchase of goods and services				
Purchases of services:				
from Resolution Circle (Pty) Ltd	-	-	22,237	13,730
from Intellilab (Pty) Ltd	-	-	-	-
from UJ Properties (Pty) Ltd	-	-	10,557	2,011
(b) Sale of goods and services				
Sale of services:				
to Resolution Circle (Pty) Ltd	-	-	2,295	187
to Youth Development Institute of South Africa	508	-	508	561
to UJ Properties (Pty) Ltd	-	-	3,625	1,937
to University Sports Company (Pty) Ltd	458	673	458	673
to Gradnet Portal (Pty) Ltd	-	-	13	15
(c) Year- end balances arising from purchases of goods/services				
Payables to related parties:				
Resolution Circle (Pty) Ltd	-	-	949	4,173
UJ Properties (Pty) Ltd	-	-	1,015	131
(d) Year- end balances arising from sales of goods/services:				
Receivables from related parties:				
Resolution Circle (Pty) Ltd	-	-	-	10
Youth Development Institute of South Africa	-	-	-	93
University Sports Company (Pty) Ltd	34	46	34	46
(e) Expenses paid on behalf of related parties:				
Million Up Trading (Pty) Ltd	-	-	2,340	6,099
(f) Donations to and from related parties:				
Donation to related parties:				
SugaRushed Records (Pty) Ltd	-	-	-	5
Million Up Trading (Pty) Ltd	-	-	-	44,773
Donation from related parties:				
UJ Trust	-	-	15,000	40,000

Notes to the Consolidated and Seperate Financial Statements

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30. Financial risk management
Overview

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

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.

30.1

Risk	Exposure arising from	Measurement	Management
Market risk – currency	Future commercial transactions	Cash flow forecasting and sensitivity analysis	Forward exchange contracts
Market risk – interest rate	Interest bearing investments (long and short term)	Sensitivity analysis	Bank diversification (short term).
Market risk - security prices	Investments in equity securities	Sensitivity analysis	Portfolio diversion
Credit risk	Cash and cash equivalents, trade receivables, derivative financial instruments, debt investments and contract assets	Aging analysis and credit ratings	Diversification of bank deposits, credit limits and letters of credit. Investment guidelines for debt investments
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Monitoring daily cash levels and requirements

Risk Management is carried out by the Finance Division under policies approved by the Audit and Risk Committee of Council which provides written principles for the overall risk management. The Audit and Risk Committee oversees the manner in which management monitors compliance with the risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risk faced by the University. The Audit and Risk Committee is assisted in its oversight role by Internal Audit, which undertakes both regular and ad hoc reviews of risk management controls and procedures. The results of these reviews are reported to the Audit and Risk Committee. Internal Audit follows a risk based audit methodology primarily based on the University's risk registers.

30.2 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, may affect the University's income or the value of its holdings of financial assets. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on investments. This is principally done by way of mandate agreements with the Fund Managers which specify the asset allocation to manage the risk profile of the investments. The University has no portfolios that have speculative characteristics and return targets are over the long term. For the spread of the various investment types, refer to note 12.

i) Currency risk

The University does not operate internationally, but on occasion there are foreign currency denominated transactions. Management has introduced a policy which requires that all material foreign currency transactions should be hedged with a forward exchange contract. At year-end there were no material outstanding forward exchange contracts. When necessary, forward exchange contracts are rolled over at maturity.

Notes to the Consolidated and Seperate Financial Statements

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Financial risk management continued...

ii) Interest rate risk

The University has large interest-bearing investments. Its investment policy allows management to invest working capital in interest- bearing, short-term investments up to one year. The period of each investment is linked to the cash-flow requirements to fund the University's operations. These short-term investments are invested with the five major South African commercial banks at the ruling interest rate on the day of investment. The rates are fixed for the period of the investment. The amount invested in this manner is specified in note 12.

A 1% change in the interest rate could have a Consolidated R13 760 / University R13 760 (2018: Consolidated R10 835 thousand / University R10 835 thousand) interest income influence on an annual basis.

This would actually never realise, as the average period of investment is three to nine months and therefore the amount will be a fraction of Consolidated R13 760 / University R13 760 (2018: Consolidated R10 835 thousand / University R10 835 thousand).

The University's investment policy determines that all long-term investments, including capital and money market investments are managed by the University's Fund Managers under mandate agreements. These agreements specify the asset allocation matching the risk that the University is prepared to take.

The mandates further specify the investment returns required by the University. These measures are in place to ensure that the various Fund Managers manage the interest rate risk within the levels accepted by the University. The University's Investment Committee oversees its long-term investments. The investments subject to a possible interest rate fluctuation are detailed in note 11.

iii) Price Risk

The University and its subsidiaries are exposed to equity securities price risk because of investments held by the University and classified on the consolidated statement of financial position as fair value through profit or loss financial assets. The University and its subsidiaries are not exposed to commodity price risk. To manage its price risk arising from investments in equity securities, the University and its subsidiaries diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Investment Committee and the limits are included in the mandate agreement which the University and the Fund Managers concluded.

Listed equities	2,690,000	2,362,000	2,042,000	1,799,000
10% change impact	269,000	236,200	204,200	179,900

"For the period ended 31 December 2019, if the FTSE/JSE CAPI index increased/ decreased by 10% with all other variables held constant and all the University's equity instruments moved according to the historical correlation with the index, the non-current investment revaluation amount on the statement of financial position would be Consolidated R2 690 million / University R2 042 million (2018: Consolidated R2 362 million / University R1 799 million) higher/lower. Due to the unpredictability of equity market returns and the asset allocation of various fund managers, a general indicative percentage of 10% is used to highlight the changes in market value on equity investments.The indicative 10% does not allow for the sensitivity in equity valuations due to the asset allocation difference between various fund managers."

Notes to the Consolidated and Seperate Financial Statements

Figures in R `000	Consolidated 2019	Consolidated 2018	University 2019	University 2018

Financial risk management continued...

30.3 Credit risk

Credit risk is the risk of financial loss to the University if a customer, student or counterparty to a financial asset fails to meet its contractual obligations, and arises from the University's receivables from students and customers, its debt investments and cash and cash equivalents.

The counterparties to investments, derivatives and cash and cash equivalents are limited to high-credit-quality financial institutions. The University has policies that limit the amount of credit exposure to any one financial institution.

The University follows a multi-manager approach to the management of investments in order to limit investment risk. Funds are invested in divergent portfolios subject to mandates developed to contain risk within set parameters. In order to hedge investment funds against fluctuations, the portfolio managers are allowed to invest a maximum of 20% of the available funds abroad.

All funds are invested with BB+ rated financial institutions, or guaranteed by the government.

Receivables comprise of outstanding student fees and a number of customers, dispersed across different industries and geographical areas. The University is exposed to credit risk arising from student receivables related to outstanding fees. The risk is mitigated by requiring students to pay an initial instalment in respect of tuition and accommodation fees at registration, the regular monitoring of outstanding fees and the institution of debt collection action in cases of long outstanding amounts. In addition, students with outstanding balances from previous years of study are only permitted to renew their registration after either the settling of the outstanding amount or the conclusion of a formal payment arrangement.

i) Student and other receivables

In a higher education environment, it is not possible to manage credit risk ex ante at the level of individual transactions with students. Creditworthiness cannot be assessed during registration. The credit risk is managed ex post by means of effective debt collection, including the sensible application of the withholding of examination results and financial exclusions, as well as the utilisation of debt collection attorneys and agencies.

The University's policy with regard to the collection of student receivables states the following:

- 60% of a student's total fees must be paid by 30 April of the study year.
- 100% of a student's total fees must be paid by 31 August of the study year.
- If the student fails to meet this financial obligation, the outstanding amount is handed over to a debt-collecting agency.

At year end all student receivables are past due as the last due date is 31 August of that period. In calculating the provision, the student receivables balance is stratified between NSFAS receivables and other student receivables. In calculating the provision for other student receivables a historical loss rate is used and the impact of forward looking information is not material. In calculating the provision for NSFAS receivables, the probablility of default is determined using an appropriate credit rating.

Details of the student receivables as at 31 December 2019:

Student receivables	308,427	385,979	304,236	381,513
- fully performing	-	-	-	-
- past due but not impaired (4 months overdue)	169,993	248,358	165,802	243,892
- impaired (more than 4 months overdue)	138,434	137,621	138,434	137,621
Less: Provision for impairment	(138,434)	(137,621)	(138,434)	(137,621)
Student receivables – net carrying amount	169,993	248,358	165,802	243,892

Notes to the Consolidated and Seperate Financial Statements

Figures in R `000	Consolidated 2019	Consolidated 2018	University 2019	University 2018

Financial risk management continued...

The University also raises other trade receivables for the sale of goods and the delivery of services. It has measures in place to ensure that sales of goods and delivery of services are made to customers with an appropriate credit history. It does not insure its student or other receivables.

The University's credit terms with regard to other receivables are:

· Full payment is required within 60 days from statement date;
· The University will charge interest on arrear amounts in terms of the Prescribed Rate of Interest Act (No. 55 of 1975), as amended; and
· Credit facilities will be suspended when debtor accounts are outstanding in excess of 90 days from the date of statement, unless alternative payment arrangements have been negotiated.

The following actions are taken in respect of overdue invoices:

· Outstanding for 60 days: A reminder letter requesting immediate payment is enclosed with the statement of account.
· Outstanding for 81 days: The statement of account is accompanied by a letter of demand stating that legal action will be taken
· Unpaid debts over 102 days: When a letter of demand has been sent and no payment or communication has been received from

Details of the other receivables as at 31 December 2019 are as follows:

Other receivables	238,885	231,121	239,164	217,368
- fully performing	228,673	218,021	229,035	204,818
- past due but not impaired	-	-	-	-
- impaired	10,212	13,100	10,129	12,550
Less: Provision for impairment	(10,212)	(13,100)	(10,129)	(12,550)
Other receivables – net carrying amount	228,673	218,021	229,035	204,818
Student receivables				
At 1 January	137,621	182,072	137,621	182,072
Provision for receivables impaired	56,272	4,158	56,272	4,158
Receivables written off during the year as uncollectable	(55,459)	(48,609)	(55,459)	(48,609)
At 31 December	138,434	137,621	138,434	137,621
Ageing of provision for impairment				
Handed over to collecting agencies – 2017	61,847	59,045	61,847	58,903
Handed over to collecting agencies – 2018	64,953	73,187	64,953	73,010
4 Months overdue	11,633	5,389	11,633	5,708
	138,434	137,621	138,434	137,621
Other receivables				
At 1 January	13,100	6,246	12,550	5,553
Provision for receivables impaired	404	8,685	-	41,863
Receivables written off during the year as uncollectable	(3,292)	(1,831)	(2,421)	(34,866)
At 31 December	10,212	13,100	10,129	12,550

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Financial risk management continued...

Ageing of provision for impairment				
Handed over to collecting agencies – 2017	666	2,540	666	2,540
Handed over to collecting agencies – 2018	1,040	8,570	1,040	8,570
Impaired as at reporting date	8,506	1,990	8,423	1,440
	10,212	13,100	10,129	12,550

The creation and release of the provision for impaired receivables have been included in 'other current operating expenses' in the statement of profit or loss and comprehensive income. Amounts are charged to the provision account when there is no expectation of recovering additional cash. After a receivable amount is written off, the collection process is continued by the collection agencies.

The credit risk identified above relates to the disclosure presented in Note 12.

The other classes within other receivables do not contain impaired assets. The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable mentioned above. The University does not hold any collateral as security. The carrying amounts of the University's receivables and prepayments are denominated in South African Rand (R).

Credit quality of financial assets

The credit quality of financial assets that are fully performing, as well as those that are past due but not impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates.

Trade receivables				
Counterparties without external credit rating:				
- Current students which will register in 2018/2019.	169,993	248,358	165,802	243,892
These students are still studying and had no defaults in the past.				
The University expects them to pay their outstanding fees during the 2018/2019 registration period.				
- Interest and dividends receivable.	-	-	-	-
This is interest and dividends receivable at year end from the available-for-sale financial assets which are all invested at BB+ (2017: BB+) rated entities.				
- Other receivables Group 1 *	186,670	154,727	190,496	146,112
	356,663	403,085	356,298	390,004

Cash and cash equivalents				
BB+ (2018: BB+) Rating:				
- Prime South African Bank	1,419,499	1,126,952	1,419,499	1,126,952
BB+ (2018: BB+) Ratings:				
- Prime South African Banks				
	1,419,499	1,126,952	1,419,499	1,126,952

Notes to the Consolidated and Seperate Financial Statements

Figures in R `000	Consolidated 2019	Consolidated 2018	University 2019	University 2018
Financial risk management continued...				
Fair value financial assets				
BB+ (2018: BB+) Rating:				
- Government stocks and bonds	283,068	362,931	228,375	318,080
- Listed stocks and debentures	440,939	384,685	336,225	287,539
- Listed shares all top 40 companies	2,690,118	2,362,249	2,042,178	1,798,805
- Fixed and other deposits, prime South African Banks	392,753	332,797	355,411	282,281
- Endowment policies, top 40 South African insurance companies	24,474	26,020	24,473	26,019

*Group 1 – New customers (less than 2 months).

30.4 Liquidity risk

Liquidity risk is the risk that the University will not be able to meet its financial obligations as they fall due. The University's liquidity risk consists mainly of borrowings, accounts payable, accrued liabilities and student deposits received and postemployment benefits. Liquidity risk is minimised by the University's substantial cash and cash equivalent balances. The University's approach to managing liquidity is to ensure as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the University's reputation. Liquidity risk is managed by monitoring the daily borrowing levels and by conducting cash flow forecasts on a weekly basis in order to maintain sufficient funds to fund the business from cash generated by operations and funds generated from investments.

The table below analyses the University's financial liabilities according to 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.

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 Years	Over 5 Years	Total
Consolidated					
31 December 2019					
Borrowings	610	796	877	-	2,283
Accounts payable	1,023,091	-	-	-	1,023,091
	1,023,701	**796**	**877**	**-**	**1,025,374**
31 December 2018					
Borrowings	8,354	610	796	877	10,637
Accounts payable	1,124,829	-	-	-	1,124,829
	1,133,183	**610**	**796**	**877**	**1,135,466**
University					
31 December 2019					
Borrowings	610	796	877	-	2,283
Accounts payable	1,028,772	-	-	-	1,028,772
	1,029,382	**796**	**877**	**-**	**1,031,055**

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Financial risk management continued...

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 Years	Over 5 Years	Total
31 December 2018					
Borrowings	628	610	796	877	2,911
Accounts payable	1,114,009	-	-	-	1,114,009
	1,114,637	**610**	**796**	**877**	**1,116,920**

30.5 Capital risk management

The University and its subsidiaries' objectives when managing reserves and working capital are to safeguard the ability of the University and its subsidiaries to continue as going concerns and to maintain an optimal structure to reduce the cost of capital.

In order to maintain the capital structure, the University and its subsidiaries have ensured a sound financial position by limiting exposure to debt and increasing investment and cash balances. This objective is met by a well planned budget process each year in which the critical strategic objectives of the University and its subsidiaries are addressed. The University also has a short and medium term infrastructure maintenance plan which is adequately resourced from available funds.

30.6 Financial instruments by category

The accounting policies for financial instruments have been applied to the line items below:

	Loans & receivables	FVPL	Total
Consolidated			
31 December 2019			
Fair value through profit or loss financial assets	-	3,831,344	**3,831,344**
Trade and other receivables (excluding prepayments)	363,612	-	**363,612**
Cash and cash equivalents	1,534,120	-	**1,534,120**

	Financial liabilities at amortised cost
Financial liabilities	
Borrowings	2,283
Trade payables	1,034,948

	Loans & receivables	FVPL	Total
31 December 2018			
Fair value through profit or loss financial assets	-	3,468,682	**3,468,682**
Trade and other receivables (excluding prepayments)	403,085	-	**403,085**
Cash and cash equivalents	1,291,899	-	**1,291,899**

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	Financial liabilities at amortised cost
Financial liabilities	
Borrowings	10,637
Trade payables	1,124,829

University

31 December 2019

Fair value through profit or loss financial assets	-	2,986,657	**2,986,657**
Trade and other receivables (excluding prepayments)	348,246	-	**348,246**
Cash and cash equivalents	1,504,780	-	**1,504,780**

	Financial liabilities at amortised cost
Financial liabilities	
Borrowings	2,283
Trade payables	1,014,388

31 December 2018

Fair value through profit or loss financial assets	-	2,712,724	**2,712,724**
Trade and other receivables (excluding prepayments)	390,004	-	**390,004**
Cash and cash equivalents	1,254,702	-	**1,254,702**

	Financial liabilities at amortised cost
Financial liabilities	
Borrowings	2,911
Trade payables	1,114,009

30.7 Fair value estimation

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

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).

Notes to the Consolidated and Seperate Financial Statements

Figures in R `000	Consolidated 2019	Consolidated 2018	University 2019	University 2018

The following table presents the Consolidated assets and liabilities that are measured at fair value at 31 December 2019:

	Level 1	Level 2	Total
Consolidated			
Fair value through profit or loss financial assets			
- listed shares	2,690,118	-	2,690,118
- listed stocks and debentures	440,939	-	440,939
- government stocks and bonds	283,068	-	283,068
- fixed deposits	-	62,464	62,464
- other deposits and loans	-	330,289	330,289
- endowment policies	-	24,474	24,474
	3,414,125	**417,227**	**3,831,352**

The following table presents the Consolidated assets and liabilities that are measured at fair value at 31 December 2018:

	Level 1	Level 2	Total
Consolidated			
Fair value through profit or loss financial assets			
- listed shares	2,362,249	-	2,362,249
- listed stocks and debentures	384,685	-	384,685
- government stocks and bonds	362,931	-	362,931
- fixed deposits	-	63,020	63,020
- other deposits and loans	-	269,777	269,777
- endowment policies	-	26,020	26,020
	3,109,865	**358,817**	**3,468,682**

The following table presents the Consolidated assets and liabilities that are measured at fair value at 31 December 2019:

	Level 1	Level 2	Total
University			
Fair value through profit or loss financial assets			
- listed shares	2,042,178	-	2,042,178
- listed stocks and debentures	336,225	-	336,225
- government stocks and bonds	228,375	-	228,375
- fixed deposits	-	62,463	62,463
- other deposits and loans	-	292,948	292,948
- endowment policies	-	24,473	24,473
	2,606,778	**379,884**	**2,986,662**

Notes to the Consolidated and Seperate Financial Statements

Figures in R `000	Consolidated 2019	Consolidated 2018	University 2019	University 2018

The following table presents the Consolidated assets and liabilities that are measured at fair value at 31 December 2018:

	Level 1	Level 2	Total
University			
Fair value through profit or loss financial assets			
- listed shares	1,798,805	-	1,798,805
- listed stocks and debentures	287,539	-	287,539
- government stocks and bonds	318,080	-	318,080
- fixed deposits	-	63,019	63,019
- other deposits and loans	-	219,262	219,262
- endowment policies	-	26,019	26,019
	2,404,424	**308,300**	**2,712,724**

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the University is the current quoted closing prices as this is most representative of fair value in the circumstance. These instruments are included in level 1. Instruments included in level 1 comprise primarily listed equity investments classified as trading securities or fair value through profit or loss.

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

Notes to the Consolidated and Seperate Financial Statements

Figures in R `000	Consolidated 2019	Consolidated 2018	University 2019	University 2018
31. Cash flows from operating activities				
Profit for the year	708,934	25,535	618,090	40,322
Adjustments for:				
– share of loss from associate (note 8)	-	-	-	-
– (decrease)/increase in student bad debt provision (note 10)	813	(44,451)	813	(44,451)
– (decrease)/increase in non-student bad debt provision (note 10)	(2,888)	6,854	(2,421)	6,997
– depreciation (note 6)	104,725	104,811	114,070	101,313
– amortisation (note 7)	3,559	7,415	3,529	7,372
– profit on disposal of property, plant and equipment	(495)	(87)	(495)	(34)
– finance income (note 25)	(36,055)	(27,623)	(34,214)	(26,021)
– interest income on investments (note 27)	(217,896)	(185,037)	(201,724)	(168,890)
– finance cost (note 24)	4,986	6,199	5,038	4,655
– impairment losses (note 24)	150	15	150	14,841
– dividends received (note 27)	(50,965)	(57,544)	(33,146)	(39,902)
– investments fair value (gains)/losses (note 28)	(214,568)	206,731	(156,075)	148,372
– movement in post-retirement obligations and assets (note 17)	(23,912)	4,161	(23,912)	4,161
– foreign exchange losses on operating activities (note 23)	2,574	(2,872)	2,574	(2,870)
– decrease in government grant (note 16)	94,899	231,964	94,899	231,964
Changes in working capital:				
– receivables and prepayments (note 10)	67,713	(91,934)	53,873	(84,639)
– trade and other payables (note 13)	(91,977)	477,703	(75,662)	460,415
– student deposits and income received in advance (note 14)	(48,223)	44,862	(47,375)	48,238
– inventory (note 9)	207	1,502	207	1,235
	301,581	**708,204**	**318,219**	**703,078**

In the statement of cash flows, proceeds from the sale of property, plant and equipment comprise:

Profit on disposal (note 6)	495	87	495	34
Net book amount (note 6)	510	1,598	510	1,557
Proceeds from disposal	1,005	1,685	1,005	1,591

Notes to the Consolidated and Seperate Financial Statements

Figures in R `000	Consolidated 2019	Consolidated 2018	University 2019	University 2018

Cash flows from operating activities continued...

Net Debt Reconciliation

Cash and cash equivalents	1,531,626	1,291,899	1,513,519	1,254,702
Borrowings - repayable within one year	(610)	(8,354)	(610)	(628)
Borrowings - repayable after one year	(1,673)	(2,283)	(1,673)	(2,283)
	1,529,343	1,281,262	1,511,236	1,251,791

	Other Assets	Liabilities from financing activities		
	Cash	Borrowings due within 1 year	Borrowings due after 1 year	Total
Consolidated				
Net debt as at 1 January 2018	558,673	(6,824)	(10,637)	541,212
Cash flows	733,226	(1,530)	8,354	740,050
Net debt as at 31 December 2018	1,291,899	(8,354)	(2,283)	1,281,262
Cash flows	239,727	7,744	610	248,081
Net debt as at 31 December 2019	1,531,626	(610)	(1,673)	1,529,343
University				
Net debt as at 1 January 2018	511,260	(564)	(2,911)	507,785
Cash flows	743,442	(64)	628	744,006
Net debt as at 31 December 2018	1,254,702	(628)	(2,283)	1,251,791
Cash flows	258,817	18	610	259,445
Net debt as at 31 December 2019	1,513,519	(610)	(1,673)	1,511,236

32. Commitments

Commitments – approved, not contracted for	170,659	213,219	170,659	213,219
Commitments – contracted	52,201	53,672	52,201	53,672

This represents capital expenditure budgeted for at reporting date, but not yet recognised in the consolidated and separate financial statements. This expenditure will be financed from designated funds.

Bank Guarantees:				
SA Post Office	250	250	250	250
City Power of Johannesburg	110	110	110	110

Operating leases

Certain of the University's desktop computers and computer equipment are subject to a non-cancellable 3 year operating lease, and future commitments in terms of the lease agreement are as follows:

Lease amounts payable within one year	-	6,068	-	6,068
Lease amounts payable later than one year to five years	-	-	-	-
Total operating lease amounts payable	-	6,068	-	6,068

Notes to the Consolidated and Seperate Financial Statements

Figures in R `000	Consolidated 2019	Consolidated 2018	University 2019	University 2018

33. Critical accounting estimates and assumptions

The University makes estimates and assumptions concerning the future. These estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Estimates made in accounting will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Provision for post-retirement medical aid liability

Principal actuarial assumptions for the post-retirement medical aid liability for the period ended 31 December 2019 are disclosed in note 17.1. Changes in assumptions may result in changes in the recognised provision for post-retirement medical aid liability.

Depreciation of property, plant and equipment

Depreciation on assets is calculated using the straight-line method to write off the cost less residual values over their estimated useful lives. The residual values and useful lives of assets are reviewed, and adjusted if not appropriate, at each reporting date.

Pension fund obligations

The present value of the pension obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions will impact the carrying amount of pension obligations. The University determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. Other key assumptions for pension obligations are based in part on current market conditions. Additional information is disclosed in note 17.2.

Impairment of related party loan

Management assesses financial assets for impairment at each year end. If the asset’s fair value is below cost and considered to be significant or prolonged an impairment will be recognized in the statement of profit or loss and ther comprehensive income. The impairment assessment with regards to the loan receivable from Photovoltaic Technology Intellectual Property (Pty) Ltd requires significant judgement. The reason that the full loan was not impaired is because the University expects to recover the remaining R15.1m. Photovoltaic Technology Intellectual Property (Pty) Ltd currenlty has an offer to purchase their investment property which makes the outstanding loan recoverable.

Residual values and useful lives of assets

The residual values and useful lives of assets are reviewed, and adjusted, if appropriate, at the end of each reporting period. Any changes in useful lives, are accounted for as a change in estimate with the depreciation charge adjusted in the current year. The adjustments only apply to assets which still had a book value at the time of adjustment.
The useful life of all zero value assets is reviewed on an ongoing basis.

34. Contingencies

34.1 The City of Johannesburg

The University has contingent liabilities in respect of legal claims arising in the ordinary course of business. It is not anticipated that any material liabilities will arise from the contingent liabilities other than those provided for in (note 24).

A contingent liability exists with regards to The City of Johannesburg for incorrect allocation of charges. . A contingent asset exist with regards to City of Johannesburg municipality for incorrect charges billed towards the University’s account.
During 2019 the University exchanged different communications with CoJ personnel to resolve all quires but with little success. The University will negotiate an escalation process in 2020 again with City of Johannesburg to ensure all queries are resolved within a reasonable period.

Notes to the Consolidated and Seperate Financial Statements

Figures in R `000	Consolidated 2019	Consolidated 2018	University 2019	University 2018
Contingencies continued...				
Incorrect allocation of charges	8,327	9,259	8,327	9,259
Incorrect charges to be claimed back	(2,138)	(259)	(2,138)	(259)
Net contingent liability	**6,189**	**9,000**	**6,189**	**9,000**

34.2 Photovoltaic Intellectual Property (Pty) Ltd (PTIP)

A shareholder of PTIP is claiming an amount of R60 million from the University on the grounds that the conduct of two representatives of the University caused his shareholding to lose that value. The University is defending the claim.

35. Transition Note : Changes in accounting policy

As indicated in note 2.8 Basis in preparation, the University has adopted IFRS 16 Leases retrospectively from 1 January 2019, but has not restated comparatives for the 2018 reporting period, as permitted under the specific transition provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening balance sheet on 1 January 2019. The new accounting policies are disclosed in note 4.

On adoption of IFRS 16, the University recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of IAS 17 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 January 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 January 2019 was 7%.

For leases previously classified as finance leases the entity recognised the carrying amount of the lease asset and lease liability immediately before transition as the carrying amount of the right of use asset and the lease liability at the date of initial application. The measurement principles of IFRS 16 are only applied after that date.

(i) Practical expedients applied

In applying IFRS 16 for the first time, the University has used the following practical expedients permitted by the standard:
- applying a single discount rate to a portfolio of Leases with reasonably similar characteristics
- relying on previous assessments on whether Leases are onerous as an alternative to performing an impairment review – there were no onerous contracts as at 1 January 2019
- accounting for operating leases with a remaining lease term of less than 12 months as at 1 January 2019 as short-term leases
- excluding initial direct costs for the measurement of the right-of-use asset at the date of initial application, and
- using hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

The University has also elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the University relied on its assessment made applying IAS 17 and IFRIC 4 Determining whether an Arrangement contains a Lease.

Notes to the Consolidated and Seperate Financial Statements

Figures in R `000	Consolidated 2019	Consolidated 2018	University 2019	University 2018

Transition Note : Changes in accounting policy continued...

(ii) Measurement of lease liabilities

	Consolidation	University
Operating lease commitments disclosed as at 31 December 2018	6,068	6,068
Discounted using the lessee's incremental borrowing rate at the date of initial application	5,963	5,963
Add: finance lease liabilities recognised as at 31 December 2018	-	-
(Less): short-term leases not recognised as a liability	(5,963)	(5,963)
(Less): low-value leases not recognised as a liability	-	-
Add/(less): contracts reassessed as lease contracts	3,930	27,024
Add/(less): adjustments as a result of a different treatment of extension and termination options	-	-
Add/(less): adjustments relating to changes in the index or rate affecting variable payments	-	-
Lease liability recognised as at 1 January 2019	3,930	27,024
Of which are:		
Current lease liabilities	1,078	12,767
Non-current lease liabilities	2,852	14,257
	3,930	27,024

(iii) Measurement of right-of-use assets

The associated right-of-use assets for property leases were measured on a retrospective basis as if the new rules had always been applied. Other right-of use assets were measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet as at 31 December 2018.

(iv) Adjustments recognised in the balance sheet on 1 January 2019

The change in accounting policy affected the following items in the balance sheet on 1 January 2019:

- right-of-use assets – increase by	3,930	27,024
- lease liabilities – increase by	3,930	27,024

36. Subsequent Events

The COVID-19 outbreak has developed rapidly in 2020, with a significant number of infections. Measures taken to contain the virus have affected economic activity, which in turn has implications for financial reporting. Measures to prevent transmission of the virus include limiting the movement of people, through the National Lockdown, restricting flights and other travel, temporarily closing businesses and schools, and cancelling events.

Management have carefully considered the impact of COVID-19 and measures have been put in place to ensure the continuous delivery of service. These measures included remote service delivery and online teaching and learning. In an attempt to flatten the curve of the spread of this virus, UJ has been very proactive in continuing to render a service.

Notes to the Consolidated and Seperate Financial Statements

Figures in R

37. Executive Remuneration 2019

Designation	Name	Salary	Allowances	Employer Contributions	Total	Leave Days sold	Merit and Other Payments		Total	
Vice-Chancellor & Principal	T Marwala	3,803,510	95,543	342,490	4,241,543	163,205	1,693,647	*	6,098,395	
Registrar	I C Burger	2,326,323	20,765	331,365	2,678,453	103,086	819,191		3,600,730	
Deputy Vice-Chancellor Academic	A Parekh	2,790,823	48,069	399,939	3,238,831	37,396	1,256,384		4,532,611	
Deputy Vice-Chancellor Research & Internationalisation	S Sinha	2,290,075	31,149	259,925	2,581,149	-	1,914,470	*	4,495,619	
Chief Financial Officer (previously referred to as DVC Finance)	N Mamorare	2,385,227	171,140	211,773	2,768,140	-	1,986,285		4,754,425	
Chief Operating Officer	A Swart	2,314,828	171,149	335,172	2,821,149	103,190	943,203		3,867,542	
Chief People Officer (previously referred to as DVC Employees & Student Affairs)	K C Mketi	1,715,845	20,766	194,677	1,931,288	-	2,060,135		3,991,423	1 January to 31 August
General Council	P H O'Brien	2,148,883	31,149	306,090	2,486,122	-	677,801		3,163,923	
Senior Executive Director in the Vice-Chancellor's office	NY Vukuza	2,049,928	164,000	250,072	2,464,000	-	731,127		3,195,127	
Executive Dean College of Business & Economics	D Van Lill	2,083,596	31,465	237,704	2,352,765	-	608,350		2,961,115	
Executive Dean Faculty of Art, Design & Architecture	F Freschi	1,376,739	15,574	170,217	1,562,530	209,855	106,982		1,879,368	1 January to 30 September
Executive Dean Faculty of Education	S J Gravett	1,856,024	50,765	290,875	2,197,664	59,216	540,734		2,797,614	
Executive Dean Faculty of Engineering & the Built Environment	D Mashao	1,799,302	20,765	219,498	2,039,565	-	277,940		2,317,505	
Executive Dean Faculty of Health Sciences	S Khan	1,339,333	104,804	119,000	1,563,137	-	311,338		1,874,475	1 March to 31 December
Executive Dean Faculty of Humanities	A B Broadbent	1,766,591	20,765	156,847	1,944,203	134,722	476,218		2,555,144	
Executive Dean Faculty of Law	L G Mpedi	1,781,521	20,765	232,479	2,034,765	78,329	1,638,211		3,751,305	
Executive Dean Faculty of Science	D Meyer	1,900,523	20,765	231,846	2,153,135	-	641,686		2,794,821	
Chief Information Officer	KF Sibanda	1,608,214	20,765	142,786	1,771,765	-	414,261		2,186,026	
Executive Director Academic Development & Support	R P Ryan	1,891,522	20,765	270,343	2,182,630	84,016	409,580		2,676,226	
Executive Director Expenditure	S M Makinta	1,599,415	74,765	201,701	1,875,882	-	479,119		2,355,001	
Executive Director Financial Governance & Revenue	L Riba	1,377,017	20,765	167,983	1,565,765	-	184,515		1,750,280	
Executive Director Human Resources	T L Kwinana	789,589	10,383	100,028	900,000	69,299	324,259		1,293,558	1 July to 31 December
Executive Director Library and Information Centre	KM Frahm-Arp	1,458,545	19,590	131,455	1,609,590	-	373,971		1,983,561	
Executive Director Operations	AL Nel	1,535,405	20,765	215,595	1,771,765	-	410,299		2,182,064	
Executive Director Research & Innovation	C B Nonkwelo	1,611,055	20,765	196,534	1,828,354	-	458,999		2,287,353	
		47,599,830	**1,247,964**	**5,716,396**	**54,564,190**	**1,042,314**	**19,738,707**		**75,345,211**	

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Notes to the Consolidated and Seperate Financial Statements

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The merit and other payments includes payments made during the year for merit bonuses as well as deferred compensation payments for staff retention incentives over a 3 year period.

* The following donations were made to the University :

T Marwala - R221 019

S Sinha - R101 779

Notes to the Consolidated and Seperate Financial Statements

Figures in R

Executive Remuneration 2018

Designation	Name	Salary	Allowances	Employer Contributions	Total	Leave Days sold	Merit and Other Payments		Total	
Vice-Chancellor & Principal	T Marwala	3,254,507	95,543	291,493	3,641,543	140,128	1,125,858	*	4,907,529	
Registrar	I C Burger	2,196,446	20,765	310,806	2,528,017	97,300	686,309		3,311,626	
Deputy Vice-Chancellor Academic	A Parekh	2,634,069	48,069	375,126	3,057,264	-	1,050,634		4,107,898	
Deputy Vice-Chancellor Research & Internationalisation	S Sinha	2,067,211	31,149	232,789	2,331,149	-	724,789		3,055,938	
Chief Financial Officer (previously referred to as DVC Finance)	N Mamorare	1,492,864	20,760	140,470	1,654,094	-	771,894		2,425,988	
	A Swart	1,676,912	23,362	237,150	1,937,424	38,968	495,644		2,472,036	
Chief People Officer (previously referred to as DVC Employees & Student Affairs)	K C Mketi	2,429,933	31,149	273,636	2,734,718	-	953,212		3,687,930	
General Council	P H O'Brien	2,028,913	31,149	287,099	2,347,161	995,176	551,559		3,893,896	
Senior Executive Director in the Vice-Chancellor's office	NY Vukuza	1,561,133	20,000	188,867	1,770,000	-	359,161		2,129,161	
Executive Dean College of Business & Economics	D Van Lill	1,966,632	31,465	222,668	2,220,765	188,062	487,847		2,896,674	
Executive Dean Faculty of Art, Design & Architecture	F Freschi	1,733,101	20,765	212,756	1,966,622	113,562	403,466		2,483,650	
Executive Dean Faculty of Education	S J Gravett	1,750,744	50,765	272,935	2,074,444	79,855	1,416,219		3,570,518	
Executive Dean Faculty of Engineering & the Built Environment	D Mashao	728,529	8,652	88,138	825,319	-	-		825,319	
Executive Dean Faculty of Health Sciences	A Swart	421,229	5,191	65,691	492,111	-	-		492,111	
Executive Dean Faculty of Humanities	A B Broadbent	1,659,462	20,765	155,102	1,835,329	-	355,720		2,191,049	
Executive Dean Faculty of Law	L G Mpedi	1,682,046	20,765	217,954	1,920,765	39,434	465,065		2,425,264	
Executive Dean Faculty of Science	D Meyer	1,794,489	20,765	217,181	2,032,435	-	542,981		2,575,416	
Chief Information Officer	KF Sibanda	781,198	10,382	68,802	860,382	-	-		860,382	
Executive Director Academic Development & Support	R P Ryan	1,786,042	20,765	253,453	2,060,260	79,309	411,181		2,550,750	
Executive Director Expenditure	S M Makinta	1,507,168	74,765	188,943	1,770,876	-	299,209		2,070,085	
Executive Director Financial Governance & Revenue	N Mamorare	575,180	179,874	64,820	819,874	-	-		819,874	Acting CFO 1 January to 30 April
	L Riba	309,349	5,191	37,425	351,965	-	-		351,965	8 October to 31 December
Executive Director Human Resources	P Gida	1,371,492	14,693	166,008	1,552,193	-	1,025,000		2,577,193	1 January to 30 September
Executive Director Library and Information Centre	KM Frahm-Arp	1,153,314	16,325	103,348	1,272,987	-	253,038		1,526,025	1 March to 31 December

Notes to the Consolidated and Seperate Financial Statements

Figures in R

Executive Director Operations	E K O'Brien	716,322	8,652	86,740	811,714	-	96,367	908,081	1 January to 30 April
	AL Nel	497,350	6,922	69,317	573,589	13,257	295,364	882,210	
Executive Director Research & Innovation	C B Nonkwelo	1,521,170	20,765	184,102	1,726,037	-	263,032	1,989,069	
		41,296,805	**859,413**	**5,012,819**	**47,169,037**	**1,785,051**	**13,033,549**	**61,987,637**	

The merit and other payments includes payments made during the year for merit bonuses as well as deferred compensation payments for staff retention incentives over a 3 year period.

* R337 757 of this bonus has been donated to establish the VC Scholarship.

Statements of Profit or Loss and Other Comprehensive Income

Figures in R `000	Notes	Council Controlled - unrestricted	Specifically Funded activities - restricted	Subtotal	Student and Staff accommdation - restricted	Total 2019	Total 2018
Consolidated							
Total income		**4,874,401**	**401,966**	**5,276,367**	**203,668**	**5,480,035**	**4,464,221**
Recurring items		**4,873,906**	**401,966**	**5,275,872**	**203,668**	**5,479,540**	**4,464,134**
State appropriations – subsidies and grants	18	2,447,941	-	2,447,941	-	2,447,941	1,945,660
Tuition and other fee income	19	1,752,922	10,270	1,763,192	195,169	1,958,361	1,850,296
Income from contracts		34,431	187,988	222,419	-	222,419	234,285
For research		26,473	169,523	195,996	-	195,996	210,029
For other activities	20	7,958	18,465	26,423	-	26,423	24,256
Sales of goods and services	20	77,924	74,858	152,782	5,292	158,074	158,329
Private gifts and grants	20	150,456	22,805	173,261	-	173,261	212,090
Sub-total		**4,463,674**	**295,921**	**4,759,595**	**200,461**	**4,960,056**	**4,400,660**
Income from investments	27	222,729	45,629	268,358	503	268,861	242,581
FV movements	28	156,075	58,493	214,568	-	214,568	(206,730)
Share of profit/(loss) in Associate		-	-	-	-	-	-
Finance income	25	31,428	1,923	33,351	2,704	36,055	27,623
Non-recurring items							
Profit/(loss) on disposal of PPE	20	495	-	495	-	495	87

Statements of Profit or Loss and Other Comprehensive Income

Figures in R `000	Notes	Council Controlled - unrestricted	Specifically Funded activities - restricted	Subtotal	Student and Staff accommdation - restricted	Total 2019	Total 2018
Total expenditure		**4,304,005**	**290,175**	**4,594,180**	**176,921**	**4,771,101**	**4,438,685**
Recurring items		**4,280,920**	**288,684**	**4,569,604**	**176,414**	**4,746,018**	**4,374,902**
Personnel	21	2,655,321	107,461	2,762,782	27,163	2,789,945	2,548,762
Academic professional		1,421,127	57,513	1,478,640	14,538	1,493,178	1,364,098
Other personnel		1,234,194	49,948	1,284,142	12,625	1,296,767	1,184,664
Other current operating expenses	23	1,164,597	57,937	1,222,534	140,696	1,363,230	1,266,785
Depreciation	6	81,785	14,563	96,348	8,377	104,725	104,811
Amortisation of software	7	3,350	56	3,406	153	3,559	7,415
Bursaries awarded	22	371,126	108,272	479,398	25	479,423	440,915
Sub-total		**4,276,179**	**288,289**	**4,564,468**	**176,414**	**4,740,882**	**4,368,688**
Finance costs	26	4,591	395	4,986	-	4,986	6,199
Impairment (gains)/losses	24	150	-	150	-	150	15
Non-recurring items							
Capital expenditure expensed	23	23,085	1,491	24,576	507	25,083	63,783
Surplus/(Deficit) for the year		**570,396**	**111,791**	**682,187**	**26,747**	**708,934**	**25,535**
Other comprehensive income							
Actuarial gains and losses on defined benefit plans	17	38,318	-	38,318	-	38,318	12,503
Total comprehensive income for the year		**608,714**	**111,791**	**720,505**	**26,747**	**747,252**	**38,038**

Statements of Profit or Loss and Other Comprehensive Income

Figures in R `000	Notes	Council Controlled - unrestricted	Specifically Funded activities - restricted	Subtotal	Student and Staff accommdation - restricted	Total 2019	Total 2018
University							
Total income		**4,928,351**	**226,129**	**5,154,480**	**203,668**	**5,358,148**	**4,469,552**
Recurring items		**4,927,856**	**226,129**	**5,153,985**	**203,668**	**5,357,653**	**4,469,518**
State appropriations – subsidies and grants	18	2,447,941	-	2,447,941	-	2,447,941	1,945,660
Tuition and other fee income	19	1,753,512	113	1,753,625	195,169	1,948,794	1,837,086
Income from contracts		34,994	187,988	222,982	-	222,982	234,285
For research		27,036	169,523	196,559	-	196,559	210,029
For other activities	20	7,958	18,465	26,423	-	26,423	24,256
Sales of goods and services	20	115,709	3,515	119,224	5,292	124,516	113,957
Private gifts and grants	20	165,456	22,805	188,261	-	188,261	252,089
Sub-total		**4,517,612**	**214,421**	**4,732,033**	**200,461**	**4,932,494**	**4,383,077**
Income from investments	27	222,730	11,637	234,367	503	234,870	208,792
FV movements	28	156,075	-	156,075	-	156,075	(148,372)
Share of profit/(loss) in Associate		-	-	-	-	-	-
Finance income	25	31,439	71	31,510	2,704	34,214	26,021
Non-recurring items							
Profit/(loss) on disposal of PPE	20	495	-	495	-	495	34

Statements of Profit or Loss and Other Comprehensive Income

Figures in R `000	Notes	Council Controlled - unrestricted	Specifically Funded activities - restricted	Subtotal	Student and Staff accommdation - restricted	Total 2019	Total 2018
Total expenditure		**4,360,075**	**209,126**	**4,569,201**	**170,857**	**4,740,058**	**4,429,230**
Recurring items		**4,336,988**	**207,799**	**4,544,787**	**170,350**	**4,715,137**	**4,365,446**
Personnel	21	2,655,321	71,201	2,726,522	27,163	2,753,685	2,509,025
Academic professional		1,421,127	38,107	1,459,234	14,538	1,473,772	1,342,830
Other personnel		1,234,194	33,094	1,267,288	12,625	1,279,913	1,166,195
Other current operating expenses	23	1,207,758	15,939	1,223,697	135,545	1,359,242	1,287,325
Depreciation	6	94,243	12,362	106,605	7,465	114,070	101,313
Amortisation of software	7	3,352	25	3,377	152	3,529	7,372
Bursaries awarded	22	371,126	108,272	479,398	25	479,423	440,915
Sub-total		**4,331,800**	**207,799**	**4,539,599**	**170,350**	**4,709,949**	**4,345,950**
Finance costs	26	5,038	-	5,038	-	5,038	4,655
Impairment (gains)/losses	24	150	-	150	-	150	14,841
Non-recurring items							
Capital expenditure expensed	23	23,087	1,327	24,414	507	24,921	63,784
Surplus/(Deficit) for the year		**568,276**	**17,003**	**585,279**	**32,811**	**618,090**	**40,322**
Other comprehensive income							
Actuarial gains and losses on defined benefit plans	17	38,318	-	38,318	-	38,318	12,503
Total comprehensive income for the year		**606,594**	**17,003**	**623,597**	**32,811**	**656,408**	**52,825**


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