Consolidated and Separate Annual Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

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Statement of Responsibility of the Members of Council

FOR THE YEAR ENDED 31 DECEMBER 2020

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 464 to 551 of this Annual Report for 2020 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 SNG Grant Thornton, 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 464 to 551 of this Annual Report were approved by the Council on 24 June 2021 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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Independent Auditor's Report

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 Financial Statements

Opinion

We have audited the consolidated and separate financial statements of the University of Johannesburg and its subsidiaries (the group) set out on pages 463 to 547 which comprise the consolidated and separate statement of financial position as at 31 December 2020, the consolidated and separate statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, as well as notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of the group as at 31 December 2020, 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).

Basis for Opinion

We conducted our audit in accordance with 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 Financial Statements section of our report.

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

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

Responsibilities of the Council for the Consolidated and Separate Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

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

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

Report on Other Legal and Regulatory Requirements

Report on the audit of the annual performance report

Introduction and scope

In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, we have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for selected objectives presented in the annual performance report. We performed procedures to identify material findings but not to gather evidence to express assurance.

Our procedures address the usefulness and reliability of the reported performance information, which must be based on the university's approved performance planning documents. We have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. Our procedures do not examine whether the actions taken by the university enabled service delivery. Our procedures do not extend to any disclosures or assertions relating to the extent of achievements in the current year or 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 objective presented in the university's annual performance report for the year ended 31 December 2020:

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Objectives	Pages in the annual performance report
Strategic Objective Two – Excellence in Teaching and Learning	78

We performed procedures to determine whether the reported performance information 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 this objective:

- Excellence in Teaching and Learning

Other matter

We draw attention to the matter below:

Achievement of planned targets

Refer to the annual performance report on pages 76 to 80 for information on the achievement of planned targets for the year.

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 university's compliance with specific matters in key legislation. We performed procedures to identify findings but not to gather evidence to express assurance.

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

Other Information

The group's accounting authority is responsible for the other information. The other information comprises the information included in the Annual Financial Statements which includes the Department of Higher Education and Training consolidated and separate Statements of Profit or Loss and other Comprehensive Income. The other information does not include the consolidated and separate financial statements, the auditor's report and those selected objectives presented in the annual performance report that have been specifically audited and reported on in the 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 on it.

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

Other reports

We draw your 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 in the reported performance information or compliance with legislation.

Audit related services - Agreed upon procedures

Engagement name	Description of engagement	Period end	Firm performing the engagement	Status	Expected date of issuing report
Financial data of DHET	Verification of financial data from the annual financial statements	31 Dec 2020	SNG Grant Thornton	Complete	June 2021
BRITISH COUNCIL GRANT (USDP)	Verification procedures performed over the grant received from DHET and its correct utilisation	31 Dec 2020	PwC	Complete	February 2021
UCDP -Future professors Programme	Verification procedures performed over the grant received from DHET and its correct utilisation	31 Dec 2020	PwC	Complete	February 2021
UNIVERSITY STAFF DOCTORAL PROGRAMME (USDP-ADAPTT)	Verification procedures performed over the grant received from DHET and its correct utilisation	31 Dec 2020	PwC	Complete	February 2021

UCDP - NESP programme	Verification procedures performed over the grant received from DHET and its correct utilisation	31 Dec 2020	PwC	Complete	February 2021
NRF (Grant Deposit, SKA, CIMERA, Main Project)	Verification procedures performed over the grant received from National Research Foundation and its correct utilisation	31 Dec 2020	PwC	Complete	March 2021
Wheelchair Roller Project	Verification procedures performed over the grant received from the funder and its correct utilisation	31 Oct 2020	PwC	Complete	April 2021
Annual Performance Plan	Verification of indicators included in the Annual Performance Plan.	31 Dec 2020	SNG Grant Thornton	Complete	June 2021
ILLUMINATE	Verification procedures performed over the grant received from the funder and its correct utilisation	30 Sept 2020	PwC	Complete	April 2021
INDUSTRIAL THINK TANK PROGRAMME (CCRED)	Verification procedures performed over the grant received and its correct utilisation	31 Mar 2021	PwC	Complete	May 2021
RESEARCH & COLLABORATION DEVELOPMENT GRANT	Verification procedures performed over the grant received and its correct utilisation	31 Dec 2020	PwC	Complete	May 2021
University Capacity Development Programme (UCDP)	Verification procedures performed over the grant received and its correct utilisation	31 Dec 2020	PwC	Complete	May 2021
COVID RESPONSIVENESS GRANT (Multimodal Teaching & Learning Plan)	Verification procedures performed over the grant received and its correct utilisation	31 Mar 2021	PwC	Complete	May 2021
DHET Infrastructure	Verification procedures performed over the grant	31 Mar 2021	PwC	Complete	May 2021

	received and its correct utilisation				
NEW GENERATION OF ACADEMICS PROGRAMMER GRANT (NGAP)	Verification procedures performed over the grant received and its correct utilisation	31 Mar 2021	PwC	Complete	May 2021
Foundation grant	Verification procedures performed over the grant received and its correct utilisation	31 Mar 2021	PwC	Complete	May 2021
Teaching development collaboration Grant	Verification procedures performed over the grant received and its correct utilisation	31 Mar 2021	PwC	Complete	May 2021
Health Science Clinical Grant	Verification procedures performed over the grant received and its correct utilisation	31 Mar 2021	PwC	Complete	May 2021
TEACHER EDUCATION FOR INCLUSIVE TEACHING PROJECT (TEfiT)	Verification procedures performed over the grant received and its correct utilisation	31 Mar 2021	PwC	Complete	May 2021
PRIMARY EDUCATION GRANT (PRIMTED)	Verification procedures performed over the grant received and its correct utilisation	31 Mar 2021	PwC	Complete	May 2021
Technology Innovation Agency (TIA)	Verification procedures performed over the grant received and its correct utilisation	31 Mar 2021	PwC	Complete	June 2021
Advance Diploma Technical & Vocational Teaching	Verification procedures performed over the grant received and its correct utilisation	31 Mar 2021	PwC	In progress	July 2021
HEALTH SCIENCE CLINICAL	Verification procedures performed over the grant	31 Dec 2020	PwC	In progress	July 2021

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Confucius Institute	Verification procedures performed over the grant received from the institute and its correct utilisation	31 Dec 2020	PwC	In progress	July 2021
CANSA RESEARCH FUNDING	Verification procedures performed over the grant received and its correct utilisation	31 Mar 2021	PwC	In progress	Sept 2021
Research publications	Verification of research publications	31 Dec 2020	PwC	Complete	May 2021
HEMIS	Verification of various information relating to the HEMIS submission to DHET	31 Dec 2020	PwC	In progress	July 2021

Vincent Motholo
SizweNtsalubaGobodo Grant Thornton Inc.
Director
Registered Auditor
25 June 2021
Johannesburg

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Annexure to audit report – Auditor's responsibility for the audit

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

Annual Financial Statements

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

- Identify and assess the risks of material misstatement of the consolidated and separate 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 of Johannesburg and its subsidiaries' 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 and 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 consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the University of Johannesburg and its subsidiaries to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate 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 and separate financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

Communication with those charged with governance

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

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

University of Johannesburg

Consolidated and Separate Financial Statements for the year ended 31 December 2020

Statements of Financial Position

Figures in R `000	Notes	Consolidated 2020	Consolidated 2019	University 2020	University 2019
Assets					
Non-current assets					
Property, plant and equipment	6	2,679,070	2,520,466	2,515,391	2,383,634
Intangible assets	7	17,559	12,484	17,552	12,481
Investment in subsidiaries, join ventures, associates and other investments	8	4,112	3,357	98,652	97,703
Loans to subsidiaries, join ventures and associates	8	2,296	16,264	14,306	6,298
Financial assets at fair value through profit or loss	11	4,091,015	3,831,353	3,236,097	2,986,661
Long term employee benefits	20	503,060	64,321	503,060	64,321
Total non-current assets		**7,297,112**	**6,448,245**	**6,385,058**	**5,551,098**
Current assets					
Inventories	9	7,183	4,441	7,126	4,441
Trade and other receivables	10	547,627	398,666	532,787	394,837
- Student fees		89,228	169,993	89,287	165,802
- Other receivables		458,399	228,673	443,500	229,035
Cash and cash equivalents	12	1,144,530	1,531,626	1,125,866	1,513,519
Short term deposits	13	820,000	-	820,000	-
Total current assets		**2,519,340**	**1,934,733**	**2,485,779**	**1,912,797**
Total assets		**9,816,452**	**8,382,978**	**8,870,837**	**7,463,895**
Equity and liabilities					
Equity					
Non-distributable reserves		**2,695,833**	**2,530,668**	**2,532,147**	**2,393,834**
Funds invested in property, plant and equipment		2,695,833	2,530,668	2,532,147	2,393,834
Reserve funds		**4,975,874**	**3,900,889**	**4,176,507**	**3,118,047**
Restricted use funds		*1,464,398*	*1,266,015*	*738,937*	*556,460*
Student residences funds		165,344	145,400	165,344	145,399
Trust/donor/bursary funds		1,299,054	1,120,615	573,593	411,061
Unrestricted use funds		*3,511,476*	*2,634,874*	*3,437,570*	*2,561,587*
Designated/committed funds		1,270,899	911,253	1,270,899	911,253
Undesignated funds		2,240,577	1,723,621	2,166,671	1,650,334
Total equity		**7,671,707**	**6,431,557**	**6,708,654**	**5,511,881**

Statements of Financial Position

Figures in R `000	Notes	Consolidated 2020	Consolidated 2019	University 2020	University 2019
Liabilities					
Non-current liabilities					
Provisions	14	71,017	55,017	71,017	55,017
Borrowings	18	263	1,673	263	1,673
Lease liabilities	16	5,927	8,609	16,952	8,609
Deferred income	19	202,254	274,275	202,254	274,275
Long term employee benefit obligation	20	222,310	245,118	222,310	245,118
Total non-current liabilities		**501,771**	**584,692**	**512,796**	**584,692**
Current liabilities					
Provisions	14	66,112	68,793	66,112	68,793
Trade and other payables	15	1,217,315	1,020,271	1,217,011	1,014,715
Student deposits and accounts in credit	17	205,254	178,782	200,497	173,526
Borrowings	18	533	610	533	610
Lease liabilities	16	3,175	3,110	14,649	14,515
Deferred income	19	150,585	95,163	150,585	95,163
Total current liabilities		**1,642,974**	**1,366,729**	**1,649,387**	**1,367,322**
Total liabilities		**2,144,745**	**1,951,421**	**2,162,183**	**1,952,014**
Total equity and liabilities		**9,816,452**	**8,382,978**	**8,870,837**	**7,463,895**

University of Johannesburg

Consolidated and Separate Financial Statements for the year ended 31 December 2020

Statements of Profit or Loss and Other Comprehensive Income

Figures in R `000	Notes	Consolidated 2020	Consolidated 2019	University 2020	University 2019
Revenue		**4,793,264**	**4,602,298**	**4,784,187**	**4,593,294**
State appropriations - subsidies and grants	21	2,572,792	2,447,941	2,572,792	2,447,941
Tuition and other fee income	22	1,974,901	1,958,361	1,965,824	1,948,794
Research income	23	245,571	195,996	245,571	196,559
Other operating income	24	312,136	358,253	340,132	339,695
Operating income		**5,105,400**	**4,960,551**	**5,124,319**	**4,932,989**
Personnel costs	25	(2,901,270)	(2,789,945)	(2,869,777)	(2,753,685)
Depreciation	6	(82,637)	(104,725)	(91,321)	(114,070)
Amortisation	7	(1,538)	(3,559)	(1,534)	(3,529)
Bursaries awarded	26	(495,231)	(479,423)	(495,231)	(479,423)
Impairment of student and other debt		(198,147)	(56,782)	(197,246)	(56,675)
Other expenses	27	(1,096,759)	(1,331,531)	(1,108,505)	(1,327,488)
Operating profit		**329,818**	**194,586**	**360,705**	**198,119**
Impairment losses	28	(8,139)	(150)	(3,127)	(150)
Finance income	29	39,270	36,055	38,073	34,214
Finance costs	30	(23,826)	(4,986)	(24,943)	(5,038)
Income from investments	31	245,065	268,861	214,523	234,870
Investments fair value gains	32	185,658	214,568	139,238	156,075
Profit for the year		**767,846**	**708,934**	**724,469**	**618,090**
Other comprehensive income					
Items that will not be subsequently reclassified to profit or loss					
Actuarial gains on defined benefit plans		472,304	38,318	472,304	38,318
Total comprehensive income		**1,240,150**	**747,252**	**1,196,773**	**656,408**
Profit for the year attributable to:					
- University		767,846	708,934	724,469	618,090
		767,846	**708,934**	**724,469**	**618,090**
Comprehensive income attributable to:					
- University		1,240,150	747,252	1,196,773	656,408
		1,240,150	**747,252**	**1,196,773**	**656,408**

University of Johannesburg

Consolidated and Separate Financial Statements for the year ended 31 December 2020

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	Funds invested in Property, Plant and Equipment	TOTAL
Consolidated								
Balance as at 01 January 2020	1,723,621	911,253	2,634,874	1,120,615	145,400	1,266,015	2,530,668	6,431,557
Profit for the year	522,278	-	522,278	213,558	32,010	245,568	-	767,846
Actuarial gains and (losses) on defined benefit plans	472,304	-	472,304	-	-	-	-	472,304
Total comprehensive income	**994,582**	**-**	**994,582**	**213,558**	**32,010**	**245,568**	**-**	**1,240,150**
Movement in funds	(477,626)	359,646	(117,980)	(35,119)	(12,066)	(47,185)	165,165	-
Balance as at 31 December 2020	**2,240,577**	**1,270,899**	**3,511,476**	**1,299,054**	**165,344**	**1,464,398**	**2,695,833**	**7,671,707**
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
Profit 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	**1,723,621**	**911,253**	**2,634,874**	**1,120,615**	**145,400**	**1,266,015**	**2,530,668**	**6,431,557**

University of Johannesburg

Consolidated and Separate Financial Statements for the year ended 31 December 2020

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	Funds invested in Property, Plant and Equipment	TOTAL
University								
Balance as at 01 January 2020	1,650,334	911,253	2,561,587	411,061	145,399	556,460	2,393,834	5,511,881
Profit for the year	511,097	-	511,097	163,410	49,962	213,372	-	724,469
Actuarial gains and (losses) on defined benefit plans	472,304	-	472,304	-	-	-	-	472,304
Total comprehensive income	**983,401**	**-**	**983,401**	**163,410**	**49,962**	**213,372**	**-**	**1,196,773**
Movement in funds	(467,064)	359,646	(107,418)	(878)	(30,017)	(30,895)	138,313	-
Balance as at 31 December 2020	**2,166,671**	**1,270,899**	**3,437,570**	**573,593**	**165,344**	**738,937**	**2,532,147**	**6,708,654**
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
Profit 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 01 January 2019	**1,650,334**	**911,253**	**2,561,587**	**411,061**	**145,399**	**556,460**	**2,393,834**	**5,511,881**

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.

University of Johannesburg

Consolidated and Separate Financial Statements for the year ended 31 December 2020

Statements of Cash Flows

Figures in R `000	Notes	Consolidated 2020	Consolidated 2019	University 2020	University 2019
Cash flows from operating activities					
Cash generated / (utilised) from (in) operating activities	35	**(580,322)**	**294,125**	**(510,044)**	**330,626**
Interest paid	30	(23,580)	(4,960)	(23,460)	(4,564)
Interest received	29	39,270	36,055	38,073	34,214
Net cash flows (used in) / from operating activities		**(564,632)**	**325,220**	**(495,431)**	**360,276**
Cash flows from / (used in) investing activities					
(Increase)/Decrease in loans to related parties	33	(300)	6,186	1,488	804
Interest income	31	204,609	217,896	187,345	201,724
Dividends income	31	40,456	50,965	27,178	33,146
Proceeds from sales of property, plant and equipment		1,227	1,005	1,227	1,005
Purchase of property, plant and equipment		(247,077)	(232,497)	(209,616)	(257,428)
Aquisition of other receivables		(184,000)	-	(184,000)	-
Purchases of intangible assets		(6,543)	(1,470)	(6,535)	(5,842)
Purchase of financial assets	11	(3,904,857)	(2,457,483)	(1,241,110)	(2,001,764)
Proceeds from disposal of financial assets		4,277,492	2,330,803	1,547,970	1,939,931
Cash flows from / (used in) investing activities		**181,007**	**(84,595)**	**123,947**	**(88,424)**
Cash flows used in financing activities					
Repayment of lease liability	35	(3,224)	(872)	(14,685)	(12,561)
Repayment of finance cost on lease liability	35	(246)	(26)	(1,483)	(474)
Cash flows used in financing activities		**(3,470)**	**(898)**	**(16,168)**	**(13,035)**
Net (decrease) / increase in cash and cash equivalents		**(387,095)**	**239,727**	**(387,652)**	**258,817**
Cash and cash equivalents at beginning of the year		1,531,625	1,291,899	1,513,518	1,254,702
Cash and cash equivalents at end of the year	**12**	**1,144,530**	**1,531,626**	**1,125,866**	**1,513,519**

Accounting Policies

1. General information

The consolidated and separate financial statements were authorised for issue by the Council on 24 June 2021.

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 Rands (thousands, except where specifically disclosed).

The consolidated and separate financial statements of the University of Johannesburg and its subsidiaries have been prepared in accordance with International Financial Reporting Standards ("IFRS"). The separate financial statements of the University of Johannesburg have been prepared per 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.

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 consolidated and separate financial statements of the University of Johannesburg have been prepared on a going concern basis. Additional information is disclosed in note 38.

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.

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.

Acquisition-related costs are expensed as incurred.

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

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.

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 profit/loss.

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.

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.

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

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.

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:

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

Category	Years
Buildings	80 years
Building Lifts	60 years
Air-conditioner plants	20 years
Electric generators	25 years
Air-conditioners	22 years
Uninterrupted power supply	20 years
Furniture and equipment (including gas boilers)	20 to 22 years
Computer equipment	12 years
Vehicles	17years
Network and mainframe computer equipment	15 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, 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 profit/(loss).

Impairments

The entity tests for impairment where there is an indication that an asset may be impaired. An assessment of whether there is an indication of possible impairment is done at each reporting date. Where the carrying amount of an item of property, plant and equipment is greater than the estimated recoverable amount, it is written down immediately to its recoverable amount. The resulting impairment loss is recognised immediately in profit or loss, and future depreciation charges are adjusted in future periods to allocate the revised carrying amount, less its residual value, on a systematic basis over its remaining useful life.

Where the estimated impairment loss exceeds the carrying amount of the asset to which it relates, the resulting liability is only recognised if it is required by another standard.

Compensation from third parties for items of property, plant and equipment that were impaired, lost or given up are included in profit or loss when the compensation becomes receivable.

Derecognition

The carrying amount of an item of property, plant and equipment is derecognised when the asset is disposed of or when when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an item of property, plant and equipment is included in profit or loss when the item is derecognised. Gains are classified as other gains on the face of the statements of profit or loss and other comprehensive income.

2.4 Intangible assets

Initial measurement

Intangible assets are initially measured at cost.

Separately acquired assets are initially measured at their purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, and any directly attributable cost of preparing the asset for its intended use.

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

Artwork acquired by way of a donation is measured at a nominal value plus any costs incurred to bring the specific artwork into use.

Acquisitions as part of a business combination are initially measured at fair value at acquisition date.

Acquisitions by way of a government grants are initially measured at fair value.

Internally generated goodwill is not recognised as an asset.

The cost of assets acquired through an exchange of assets is measured at fair value at acquisition date unless the exchange lacks commercial substance, or the fair value of neither the asset received nor the asset given up is reliably measurable. The acquired asset is immediately measured in this way even if the asset given up cannot immediately be derecognised. If the acquired asset is not measured at fair value, its cost is measured using the carrying amount of the asset given up.

Internally generated brands, publishing titles, customer lists and items similar in substance are not recognised as intangible assets.

Subsequent measurement - Cost model

After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation

An intangible asset is regarded by the entity as having an indefinite useful life when, based on an analysis of all of the relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows. Intangible assets with an indefinite useful life are not amortised, but is tested for impairment annually and whenever there is an indication that the intangible asset may be impaired. The intangible asset's determination as having an indefinite useful life is also reviewed annually to determine whether events and circumstances continue to support the indefinite useful life assessment. Reassessing the useful life of an intangible asset as finite rather than indefinite is an indicator that the asset may be impaired.

Artwork has been identified as having an indefinite useful life as there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows

For other intangible assets amortisation is allocated on a systematic basis over its useful life. Where an intangible asset has a residual value, the amortisation amount is determined after deducting its residual value.

The residual values of intangible assets are assumed zero unless:

- there is a commitment by a third party to purchase the asset at the end of its useful life; or
- there is an active market for the asset and:
    - residual value can be determined by reference to that market; and
    - it is probable that such a market will exist at the end of the asset's useful life.

Residual values as well as the useful lives of all assets are reviewed annually. Changes in residual values are treated as a change in estimate and treated in accordance with the relevant accounting policies.

The classification of useful lives and amortisation methods for the various classes of assets are as follows:

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

Category	**Years**
Software	10 years
Artwork	Indefinite useful life

Impairments

Assets that have an indefinite useful life, for example artwork, are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less 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).

Retirements and disposals

An asset is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss on disposal is recognised in profit or loss.

2.5 Financial Assets

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 therefore 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 solely 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.

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

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.

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.

Derecognition

The group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the group retains substantially all the risks and rewards of ownership of a transferred financial asset, the group continues to recognise the financial asset and also recognises a collateral borrowing for the proceeds received. Gains and losses on financial assets measured at amortised cost are recorded in profit and loss.

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.

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

2.6 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments maturing within 90 days from the date of acquisition that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

Cash and cash equivalents are initially measured at fair value and are subsequently measured at amortised cost.
Impairment on cash and cash equivalents is measured on a 12 month expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counter parties with whom balances are held.

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.

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

Derecognition
The group derecognises trade payables when, and only when, the group obligations are discharged, cancelled or they expire. The difference between the carrying amount of the liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss

2.8 Inventories

Recognition
Inventories are recognised as an asset when

- it is probable that future economic benefits associated with the item will flow to the entity; and
- the cost of the inventories can be measured reliably.

Measurement
Inventories are measured at the lower of cost and net realisable value using the first-in-first-out method

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

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 income tax and are liable for normal South African Income Tax.

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

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 neither accounting 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 to the extent that it is probable that future taxable profit will be available against which the unused tax losses 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 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.

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,
- 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.

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

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.

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, with not expectation of renewal. 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.

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.

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

To determine whether to recognise revenue, the Group follows a 5-step process:
1 Identifying the contract with a customer
2 Identifying the performance obligations
3 Determining the transaction price
4 Allocating the transaction price to the performance obligations
5 Recognising revenue when/as performance obligation(s) are satisfied.

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 measurable until all contingencies relating to the activity have been resolved.

Tuition and other fee income

Revenue from tuition, other related fees and residence fees, is recognised over time in the accounting period in which the service relates. When the University is not able to reasonably measure the outcome of the obligation under the contract but expects to recover the costs incurred in satisfying the obligations to date, revenue shall be recognised only to the extent that expenses incurred are eligible to be recovered. Deposits and over payments 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.

2.13 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.

2.14 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.

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

2.15 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.

2.16 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.

2.17 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.

2.18 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.

2.19 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.

Accounting Policies

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

The University contributes towards the following retirement funds:

- 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.

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 do 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.

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.

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

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.

2.20 Government grants - Deferred income

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.

2.21 Borrowings

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.

2.22 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.

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
o Capital projects
o Future pension fund shortfalls

b) Undesignated -use funds

These comprise funds arising from profit and losses 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 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 2020 are disclosed in note 20.1. 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 20.2.

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 recognised in the statement of profit or loss and other comprehensive income. The impairment assessment with regards to the loan receivable from Photovoltaic Technology Intellectual Property (Pty) Ltd requires significant judgement. The full loan was not impaired as the University expects to recover R2.2m in 2021 from the final distribution account.

Accounting Policies

Critical accounting estimates and judgements continued...

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.

Fair value and provision for credit losses

IFRS 9’s impairment requirements use forward-looking information to recognise expected credit losses – the ‘expected credit loss (ECL) model’. Instruments within the scope of the requirements included loans and other debt-type financial assets measured at amortised cost, trade receivables and loan commitments.

The University considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collect ability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:
• financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk (‘Stage 1’) and
• financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low (‘Stage 2’).

‘12-month expected credit losses’ are recognised for the first category (ie Stage 1) while ‘lifetime expected credit losses’ are recognised for the second category (ie Stage 2).

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

5. Changes in accounting policies and disclosures

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
IFRS 3 Business Combinations - Definition of Business: The amendments: - confirmed that a business must include inputs and a process, and clarified that: - the process must be substantive; and - the inputs and process must together significantly contribute to creating outputs. - narrowed the definitions of a business by focusing the definition of outputs on goods and services provided to customers and other income from ordinary activities, rather than on providing dividends or other economic benefits directly to investors or lowering costs; and - added a test that makes it easier to conclude that a company has acquired a group of assets, rather than a business, if the value of the assets acquired is substantially all concentrated in a single asset or group of similar assets.	01 January 2020	Not material

	Effective date: Years beginning on or after	Expected impact
IFRS 7 Financial Instruments: Disclosures - Interest Rate Benchmark Reform: The amendments to IFRS 9, IAS 39 and IFRS 7 amend requirements for hedge accounting to support the provision of useful financial information during the period of uncertainty caused by the phasing out of interest-rate benchmarks such as interbank offered rates (IBORs) on hedge accounting. - The amendments modify some specific hedge accounting requirements to provide relief from potential effects of the uncertainty caused by the IBOR reform. - In addition, the amendments require companies to provide additional information to investors about their hedging relationships which are directly affected by these uncertainties.	01 January 2020	Not material

Accounting Policies

Changes in accounting policies and disclosures continued...

IFRS 9 Financial Instruments - Interest Rate Benchmark Reform: The amendments to IFRS 9, IAS 39 and IFRS 7 amend requirements for hedge accounting to support the provision of useful financial information during the period of uncertainty caused by the phasing out of interest-rate benchmarks such as interbank offered rates (IBORs) on hedge accounting. - The amendments modify some specific hedge accounting requirements to provide relief from potential effects of the uncertainty caused by the IBOR reform. - In addition, the amendments require companies to provide additional information to investors about their hedging relationships which are directly affected by these uncertainties.	01 January 2020	Not material
IFRS 16 Leases - COVID-19 -Related Rent Concessions: Amendment providing lessees with an exemption from assessing whether a COVID-19 -related rent concession (a rent concession that reduces lease payments due on or before 30 June 2021) is a lease modification.	01 June 2020	Not material
IAS 1 Presentation of Financial Statements - Definition of Material: The amendments clarify and align the definition of 'material' and provide guidance to help improve consistency in the application of that concept whenever it is used in IFRS Standards.	01 January 2020	Not material
IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Material: The amendments clarify and align the definition of 'material' and provide guidance to help improve consistency in the application of that concept whenever it is used in IFRS Standards.	01 January 2020	Not material

Changes in accounting policies and disclosures continued...

IAS 39 Financial Instruments: Recognition and Measurement - Interest Rate Benchmark Reform: The amendments to IFRS 9, IAS 39 and IFRS 7 amend requirements for hedge accounting to support the provision of useful financial information during the period of uncertainty caused by the phasing out of interest-rate benchmarks such as inter bank offered rates (IBORs) on hedge accounting. - The amendments modify some specific hedge accounting requirements to provide relief from potential effects of the uncertainty caused by the IBOR reform. - In addition, the amendments require companies to provide additional information to investors about their hedging relationships which are directly affected by these uncertainties	01 January 2020	Not material

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**
IFRS 1 First-time Adoption of International Financial Reporting Standards - Annual Improvements to IFRS Standards 2018–2020: Extension of an optional exemption permitting a subsidiary that becomes a first-time adopter after its parent to measure cumulative translation differences using the amounts reported by its parent, based on the parent's date of transition to IFRSs. A similar election is available to an associate or joint venture.	01 January 2022	Management has performed a high level impact assessment and are not expecting any material changes
IFRS 3 Business Combinations - Reference to the Conceptual Framework: The amendment updates a reference in IFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations.	01 January 2022	Management has performed a high level impact assessment and are not expecting any material changes
IFRS 4 Insurance Contracts - Extension of the Temporary Exemption from Applying IFRS 9 defers the fixed expiry date of the following temporary exemptions from applying IFRS 9 to annual periods beginning on or after 1 January 2023: - A temporary exemption from IFRS 9 granted to an insurer that meets specified criteria; and - An optional accounting policy choice allowing an insurer to apply the overlay approach to designated financial assets when it first applies IFRS 9.	01 January 2022	Management has performed a high level impact assessment and are not expecting any material changes

IFRS 9 Financial Instruments - Annual Improvements to IFRS Standards 2018–2020: The amendment clarifies which fees an entity includes when it applies the '10 per cent' test in assessing whether to derecognise a financial liability.	01 January 2022	Management has performed a high level impact assessment and are not expecting any material changes
IFRS 17 Insurance contracts - IFRS 17 creates one accounting model for all insurance contracts in all jurisdictions that apply IFRS. - IFRS 17 requires an entity to measure insurance contracts using updated estimates and assumptions that reflect the timing of cash flows and take into account any uncertainty relating to insurance contracts. - The financial statements of an entity will reflect the time value of money in estimated payments required to settle incurred claims. - Insurance contracts are required to be measured based only on the obligations created by the contracts. - An entity will be required to recognise profits as an insurance service is delivered, rather than on receipt of premiums. - This standard replaces IFRS 4 – Insurance contracts.	01 January 2023	Management has performed a high level impact assessment and are not expecting any material changes
IAS 1 Presentation of Financial Statements - Classification of Liabilities as Current or Non-current: Narrow-scope amendments to IAS 1 to clarify how to classify debt and other liabilities as current or non-current.	01 January 2022	Management has performed a high level impact assessment and are not expecting any material changes
IAS 16 Property, Plant and Equipment - Property, Plant and Equipment: Proceeds before Intended Use: The amendments prohibit an entity from deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the cost of producing those items, in profit or loss.	01 January 2022	Management has performed a high level impact assessment and are not expecting any material changes
IAS 37 Provisions, Contingent Liabilities and Contingent Assets - Onerous Contracts—Cost of Fulfilling a Contract: The amendments specify which costs should be included in an entity's assessment whether a contract will be loss-making.	01 January 2022	Management has performed a high level impact assessment and are not expecting any material changes

Notes to the Consolidated and Separate 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 2020 - Consolidation													
Balance at 1 January 2020													
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**
Movements for the year ended 31 December 2020													
Additions from acquisitions	114,627	15	675	2,067	2,134		70,700	43,401	661		1,244	6,972	**242,495**
Depreciation	(25,507)	(890)	(1,126)	(1,442)	(1,537)	(1,814)	(33,230)	(8,602)	(740)	(724)	(2,590)	(4,434)	**(82,636)**
Remeasurement of lease liability	-	-	-	-	-	(68)	-	-	-	-	-	-	**(68)**
Disposals					(107)		(2,651)	(1,164)				(1,285)	**(5,207)**
Depreciation on disposals					107		1,531	1,124				1,257	**4,019**
Property, plant and equipment at the end of the year	**1,839,582**	**43,815**	**2,374**	**21,011**	**19,760**	**6,802**	**536,229**	**100,532**	**14,637**	**9,809**	**27,891**	**56,628**	**2,679,070**
Closing balance at 31 December 2020													
At cost	2,226,770	58,250	4,605	69,759	49,745	9,073	934,001	137,696	27,668	15,238	52,540	165,303	**3,750,648**
Accumulated depreciation	(387,188)	(14,435)	(2,231)	(48,748)	(29,985)	(2,271)	(397,772)	(37,164)	(13,031)	(5,429)	(24,649)	(108,675)	**(1,071,578)**
Net book value	**1,839,582**	**43,815**	**2,374**	**21,011**	**19,760**	**6,802**	**536,229**	**100,532**	**14,637**	**9,809**	**27,891**	**56,628**	**2,679,070**
Assets with zero net carrying value as at 31 December 2020 included in the balances above (cost price).	7,952	1,200	-	25,040	9,700	-	30,850	12,710	1,800	-	2,762	53,728	145,742
During 2020, the useful lives of specific asset categories were adjusted with the following reduction in current year depreciation.	-	(1,028)	-	(3)	(504)	-	(13,127)	(2,852)	(247)	(1,547)	-	(2,660)	(21,968)

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

As of 31 December 2020, included in the carrying amount for Land & Buildings, is property to the value of R153 864 (2019: R106 490) that is still under construction.
As of 31 December 2020, assets to the accumulated amount of R755 737 (2019: R712 599) were capitalised and written off in full as a result of government grants received (note 2.20 and note 19).
As of 31 December 2020, included in the carrying amount for Land & Buildings, is Land to the value of R115 620 (2019: R115 620).

Notes to the Consolidated and Separate Financial Statements

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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 - Consolidated													
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)**
Adjustment	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**	**499,878**	**65,773**	**14,716**	**10,534**	**29,236**	**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	-	32,468	13,042	1,800	-	2,761	54,970	144,222
During 2019, the useful lives of specific Computer equipment and Network & Mainframe computer equipment asset categories 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 2.20 and note 19).

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

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 2020 - University													
Balance at 1 January 2020													
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**
Movements for the year ended 31 December 2020													
Additions from acquisitions	79,135	15	23,230	2,067	2,134	-	65,562	43,313	661	-	1,244	6,972	**224,334**
Depreciation	(23,286)	(769)	(12,651)	(1,442)	(1,508)	(1,814)	(32,810)	(8,555)	(740)	(726)	(2,587)	(4,434)	**(91,322)**
Remeasurement of lease liability	-	-	-	-	-	(68)	-	-	-	-	-	-	**(68)**
Disposals	-	-	-	-	(172)	-	(2,651)	(1,164)	-	-	-	(1,285)	**(5,272)**
Depreciation on disposals	-	-	-	-	172	-	1,531	1,124	-	-	-	1,257	**4,084**
Property, plant and equipment at the end of the year	**1,661,722**	**39,481**	**24,951**	**21,011**	**19,756**	**6,802**	**532,430**	**100,323**	**14,637**	**9,809**	**27,841**	**56,628**	**2,515,391**
Closing balance at 31 December 2020													
At cost	2,030,593	53,329	50,254	69,759	49,482	9,073	928,658	136,641	27,668	15,238	52,470	165,303	**3,588,468**
Accumulated depreciation	(368,871)	(13,848)	(25,303)	(48,748)	(29,726)	(2,271)	(396,228)	(36,318)	(13,031)	(5,429)	(24,629)	(108,675)	**(1,073,077)**
Net book value	**1,661,722**	**39,481**	**24,951**	**21,011**	**19,756**	**6,802**	**532,430**	**100,323**	**14,637**	**9,809**	**27,841**	**56,628**	**2,515,391**
Assets with zero net carrying value as at 31 December 2020 included in the balances above (cost price).	7,952	1,200	-	25,040	9,700	-	30,850	12,710	1,800	-	2,762	53,728	145,742
During 2020, the useful lives of specific asset categories were adjusted with the following reduction in current year depreciation.	-	(1,028)	-	(3)	(504)	-	(13,127)	(2,852)	(247)	(1,547)	-	(2,660)	(21,968)
The reduction in depreciation will be recovered over the remaining useful lives of the asset, to the same value.													

As of 31 December 2020, included in the carrying amount for Land & Buildings, is property to the value of R153 044 (2019: R109 916) that is still under construction.

As of 31 December 2020, assets to the accumulated amount of R755 737 (2019: R712 599) were capitalised and written off in full as a result of government grants received (note 2.20 and note 19).

As of 31 December 2020, included in the carrying amount for Land & Buildings, is Land to the value of R101 420 (2019: R101 420).

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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 Computer equipment and Network & Mainframe computer equipment asset categories 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 R62 523 (2018: R62 523) that is still under construction.

As of 31 December 2019, assets to the accumulated amount of R646 598 (2018: R646 598) were capitalised and written off in full as a result of government grants received (note 2.20 and note 19).

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

Figures in R `000

7. Intangible assets

Reconciliation of changes in intangible assets

	Computer software	Artwork	Total
Reconciliation for the year ended 31 December 2020 - Consolidated			
Balance at 1 January 2020			
At cost	52,523	1,532	**54,055**
Accumulated amortisation	(41,571)	-	**(41,571)**
Net book value	**10,952**	**1,532**	**12,484**
Movements for the year ended 31 December 2020			
Additions	6,543	70	**6,613**
Amortisation	(1,538)	-	**(1,538)**
Disposals	(1,170)	-	**(1,170)**
Amortisation on disposals	1,170	-	**1,170**
Intangible assets at the end of the year	**15,957**	**1,602**	**17,559**
Closing balance at 31 December 2020			
At cost	57,600	1,602	**59,202**
Accumulated amortisation	(41,643)	-	**(41,643)**
Net book value	**15,957**	**1,602**	**17,559**
During 2020, the useful lives of specific asset categories were adjusted with the following reduction in current year amortisation.	(767)	**-**	**(767)**
The reduction in amortisation will be recovered over the remaining useful lives of the asset, to the same value.			
Artwork was tested for impairment and the recoverable amount was found to be higher than the carrying amount.			
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**	**1,532**	**12,486**
Closing balance at 31 December 2019			
At cost	52,523	1,532	**54,055**
Accumulated amortisation	(41,571)	-	**(41,571)**
Net book value	**10,952**	**1,532**	**12,484**

Figures in R `000

Intangible assets continued...

During 2019, the useful lives of specific asset categories 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 2020 - University	**Computer software**	**Artwork**	**Total**
Balance at 1 January 2020			
At cost	52,227	1,532	**53,759**
Accumulated amortisation	(41,278)	-	**(41,278)**
Net book value	**10,949**	**1,532**	**12,481**
Movements for the year ended 31 December 2020			
Additions	6,535	70	**6,605**
Amortisation	(1,534)	-	**(1,534)**
Disposals	(1,170)	-	**(1,170)**
Amortisation on disposals	1,170	-	**1,170**
Intangible assets at the end of the year	**15,950**	**1,602**	**17,552**
Closing balance at 31 December 2020			
At cost	57,592	1,602	**59,194**
Accumulated amortisation	(41,642)	-	**(41,642)**
Net book value	**15,950**	**1,602**	**17,552**
During 2020, the useful lives of specific asset categories were adjusted with the following reduction in current year amortisation.	(767)	-	**(767)**
The reduction in amortisation will be recovered over the remaining useful lives of the asset, to the same value.			
Artwork was tested for impairment and the recoverable amount was found to be higher than the carrying amount.			

Reconciliation for the year ended 31 December 2019 - University			
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**

Notes to the Consolidated and Separate Financial Statements

Figures in R `000	Consolidated 2020	Consolidated 2019	University 2020	University 2019
Intangible assets continued...				
Closing balance at 31 December 2019				
At cost		52,227	1,532	**53,759**
Accumulated amortisation		(41,278)	-	**(41,278)**
Net book value		**10,949**	**1,532**	**12,481**
During 2019, the useful lives of specific asset categories 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.

8. Subsidiaries, joint ventures, associates and investments

8.1 Investments in subsidiaries and other entities

Cost of investment in commercial entities	-	-	108,386	108,131
Impairment of investments in commercial entities	-	-	(13,845)	(13,845)
Other investments	4,111	3,357	4,111	3,417
	4,111	3,357	98,652	97,703

8.2 Investment in associates and joint ventures

Cost of investment	9,141	9,141	9,141	9,141
Accumulated provision for impairment of investment	-	(9,141)	-	(9,141)
Write-off of investment	(9,141)		(9,141)	
Carrying amount of investment – 31 December	-	-	-	-
Total investments in subsidiaries, joint ventures and associates	**4,111**	**3,357**	**98,652**	**97,703**

Photovoltaic Intellectual Property (Pty) Ltd (PTIP), is an associate of the University. The University's shareholding is 38.4%. 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 2020 and 2019.

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 maximise 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.

8.3 Loans to subsidiaries and other entities

Total loans to commercial entities	4,224	10,493	85,111	72,951
Re-payment of loans	-	-	(527)	-
Accumulated provision for impairment of loans	(4,224)	-	(72,574)	(72,424)
	-	10,493	12,010	527

Notes to the Consolidated and Separate Financial Statements

Subsidiaries, joint ventures, associates and investments continued...

8.4 Loans to associate

Figures in R `000	Consolidated 2020	Consolidated 2019	University 2020	University 2019
Total loans to associate opening balance	86,034	95,380	86,034	95,380
Additional loan to associate	-	654	-	654
Accumulated provision for impairment of loan	-	(80,263)	-	(80,263)
Write-off of loan	(83,738)	-	(83,738)	-
Loan repayment received	-	(10,000)	-	(10,000)
Carrying amount of loan - 31 December	2,296	5,771	2,296	5,771
Total loans in subsidiaries, joint ventures and associates	**2,296**	**16,264**	**14,306**	**6,298**

Impairment losses

The full Impairment on the PTIP loan has been accounted for in 2020, except for the amount of R2,295 as the final liquidation and distribution account was received including the final payment of R2,295 in January 2021.

9. Inventories

Figures in R `000	Consolidated 2020	Consolidated 2019	University 2020	University 2019
Consumables at cost	7,183	4,441	7,126	4,441

The cost of consumables recognised as an expense and included in items within ‘other operating expenses’ amounted to Consolidated R16 636 / University R16 636 (2019: Consolidated R17 211 / University R17 211).

The University does not hold any inventories as security.

Notes to the Consolidated and Separate Financial Statements

Figures in R `000	Consolidated 2020	Consolidated 2019	University 2020	University 2019

10. Trade and other receivables

Trade receivables	643,951	932,717	640,144	928,526
NSFAS and other student receipts	(279,441)	(624,290)	(279,441)	(624,290)
Provision for impairment	(275,282)	(138,434)	(271,416)	(138,434)
Student receivables - net carrying amount	**89,228**	**169,993**	**89,287**	**165,802**
Other receivables	**458,399**	**228,673**	**443,500**	**229,035**
Advances and pre-payments	14,980	38,109	14,927	35,852
Deposits	7,343	3,084	2,280	2,483
Staff loans, receivables and advances	289	204	289	204
Value added tax	7,672	606	6,541	-
Property transfers	184,000	-	184,000	-
Non-student receivables - net carrying amount	244,115	186,670	235,463	190,496
Non-student receivables	252,844	196,882	244,109	200,625
Less: Provision for impairment	(8,729)	(10,212)	(8,646)	(10,129)
	547,627	**398,666**	**532,787**	**394,837**

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

Included in Property transfers is R184m due to the ongoing process of the purchase of a Media24 building.

The University does not hold any receivables as security.

Refer to note 34 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 2020, student receivables of Consolidated R89 228 / University 89 287 (2019: Consolidated R169 993 / University R165 802) 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	89,228	169,993	89,287	165,802
	89,228	**169,993**	**89,287**	**165,802**

As of 31 December 2020, student receivables of Consolidated R275 282 / University R271 416 (2019: Consolidated R138 434 / University R138 434) 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	117,801	11,633	113,935	11,633
Students enrolled in prior year	82,964	64,953	82,964	64,953
Students enrolled more than two years ago	74,517	61,847	74,517	61,847
	275,282	**138,434**	**271,416**	**138,434**

Notes to the Consolidated and Separate Financial Statements

Figures in R `000	Consolidated 2020	Consolidated 2019	University 2020	University 2019

Trade and other receivables continued...

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.

Other receivables

As of 31 December 2020, other receivables of Consolidated R252 844 / University R244 109 (2019: Consolidated R196 882 / University R200 625) were fully performing.

The ageing of these receivables are as follows:				
Not past due	170,440	171,733	161,705	160,476
Past due	82,404	25,149	82,404	40,149
	252,844	**196,882**	**244,109**	**200,625**

As of 31 December 2020, other trade receivables of Consolidated R8 729 / University R8 646 (2019: Consolidated R10 212 / University R10 129) 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	-	3,068
> 3 months	8,729	7,061	8,646	7,061
	8,729	**10,212**	**8,646**	**10,129**

Movements in the provision for impairment of other trade receivables are as follows:				
At 1 January	10,212	13,100	10,129	12,550
Provision for impairment	6,908	404	6,908	-
Receivables written-off during the year	(8,391)	(3,292)	(8,391)	(2,421)
At 31 December	**8,729**	**10,212**	**8,646**	**10,129**

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.

Notes to the Consolidated and Separate Financial Statements

Figures in R `000

11. Financial assets at fair value through profit or loss

Consolidated

	Cost 2020	Fair Value 2020	Cost 2019	Fair Value 2019
Opening balance 1 January	3,544,326	3,831,352	3,288,461	3,468,682
Net additions and disposals during the year	100,553	97,427	255,865	262,633
Investments fair value gains/(losses) (note 32)	-	162,236	-	100,037
	3,644,879	4,091,015	3,544,326	3,831,352
Check		-		-

Fair value financial assets include the following:

	Cost 2020	Fair Value 2020	Cost 2019	Fair Value 2019
Government bonds and stocks	378,127	394,885	277,168	283,068
Listed - stocks and debentures	419,673	440,915	406,005	440,939
Listed - shares	2,578,961	2,990,307	2,448,215	2,690,118
Fixed deposits	53,890	51,227	60,460	62,464
Other deposits	183,244	183,557	328,007	330,289
Endowment policies	30,985	30,123	24,472	24,474
	3,644,879	4,091,015	3,544,326	3,831,352

University

Opening balance 1 January	2,788,450	2,986,662	2,585,717	2,712,724
Net additions and disposals during the year	125,248	122,123	202,733	207,984
Investments fair value gains/(losses) (note 32)	-	127,312	-	65,954
	2,913,698	3,236,097	2,788,450	2,986,662

Fair value financial assets include the following:

Government bonds and stocks	315,329	328,780	223,711	228,375
Listed - stocks and debentures	331,799	343,657	314,018	336,225
Listed - shares	2,011,204	2,311,618	1,874,592	2,042,178
Fixed deposits	53,890	51,227	60,460	62,463
Other deposits	170,492	170,692	291,195	292,948
Endowment policies	30,985	30,123	24,474	24,473
	2,913,698	3,236,096	2,788,450	2,986,662

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 2020. The valuations are performed by independent fund managers who manage the University’s investments under agreed mandates.

Notes to the Consolidated and Separate Financial Statements

Figures in R `000	Consolidated 2020	Consolidated 2019	University 2020	University 2019

12. Cash and cash equivalents

Cash at bank and in hand	159,377	155,670	140,713	137,563
Short term cash deposits	1,805,153	1,375,956	1,805,153	1,375,956
Net cash and cash equivalents	**1,964,530**	**1,531,626**	**1,945,866**	**1,513,519**

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 34.

Short term cash deposits are deposits with a maturity term of less than 3 months.

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	300	3,000	300	3,000
Guarantees	1,119	1,119	1,119	1,119
ABSA vehicle management solutions proprietary limited	10,000	-	10,000	-

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. Short term deposits

Short term deposits	820,000	-	820,000	-

Short term deposits are deposits with a maturity term of greater than 3 months.

Notes to the Consolidated and Separate Financial Statements

Figures in R `000	Consolidated 2020	Consolidated 2019	University 2020	University 2019

14. Provisions

Non-current provisions				
Provision for Deferred Compensation				
Opening Balance	1,534	19,798	1,534	19,798
Additions	-	-	-	-
Utilised during the year	(362)	(18,264)	(362)	(18,264)
Closing balance	1,172	1,534	1,172	1,534
Provision for City of Johannesburg				
Opening Balance	53,483	30,074	53,483	30,074
Additions	16,537	23,948	16,537	23,948
Utilised during the year	(175)	(539)	(175)	(539)
Closing balance	69,845	53,483	69,845	53,483
Total non-current provisions	**71,017**	**55,017**	**71,017**	**55,017**
Current provisions				
Leave pay provision				
Opening Balance	68,793	66,867	68,793	66,867
Additions	50,491	43,000	50,491	43,000
Utilised during the year	(53,172)	(41,074)	(53,172)	(41,074)
Closing balance	66,112	68,793	66,112	68,793
Total current provisions	**66,112**	**68,793**	**66,112**	**68,793**

15. Trade and other payables

Financial Instruments				
Current				
Trade Payables	53,249	74,872	52,426	74,171
Accruals	103,327	90,513	102,892	87,412
Other payables	1,060,739	854,596	1,061,693	852,674
	1,217,315	**1,019,981**	**1,217,011**	**1,014,257**
Non-Financial Instruments				
Current				
Income Tax payable by subsidiaries	-	290	-	-
Value added tax	-	-	-	458
	-	**290**	**-**	**458**
Total trade and other payables	**1,217,315**	**1,020,271**	**1,217,011**	**1,014,715**

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

Included in the other payables is Bursaries of Consolidated R945 573 / University R945 573 (2019: Consolidated R718 898 / University R718 898), Unallocated deposits of Consolidated R54 690 / University R54 690 (2019: Consolidated R71 148 / University R71 148), SARS of Consolidated R54 938 / University R54 938 (2019: Consolidated 73 334 / University 73 334).

Figures in R `000	Consolidated 2020	Consolidated 2019	University 2020	University 2019

16. Leases

Lease liability				
Current	3,175	3,110	14,649	14,515
Non-current	5,927	8,609	16,952	8,609

The University has leases for buildings and vehicles. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected in the consolidated statement of financial position as a right-of-use asset and a lease liability. The University classifies its right-of-use assets in a consistent manner to its property, plant and equipment (note 6).

The table below describes the nature of the University's leasing activities by type of right-of-use asset recognised in the consolidated statement of financial position:

Right-of-use asset	No. of right- of-use assets leased	Range of remaining term	Average remaining lease term	No. of leases with extension option	No. of leases with option to purchase	No. of leases with termination option
Consolidated						
Buildings	2	2-3 years	2 years	-	-	-
Vehicles	16	3-4 years	3 years	-	-	-
University						
Buildings	3	2-3 years	2 years	-	-	-
Vehicles	16	3-4 years	3 years	-	-	-

The Group has elected not to recognise a lease liability for short term leases (leases with an expected term of 12 months or less) or for leases of low value assets. Payments made under such leases are expensed. (note 27)

The lease liabilities are secured by the related underlying assets. Future minimum lease payments at 31 December 2020 were as follows:

Figures in R `000	Consolidated 2020	Consolidated 2019	University 2020	University 2019

Leases continued...

	Within 1 year	1-2 years	2-3 years	> 3 years	Total
Consolidated					
31 December 2020					
Lease payments	3,666	3,796	2,435	1,383	11,280
Finance charges	(492)	(734)	(568)	(384)	(2,178)
Net present values	**3,174**	**3,062**	**1,867**	**999**	**9,102**
31 December 2019					
Lease payments	3,535	3,652	2,954	3,817	13,958
Finance charges	(249)	(489)	(549)	(952)	(2,239)
Net present values	**3,286**	**3,163**	**2,405**	**2,865**	**11,719**
University					
31 December 2020					
Lease payments	16,365	16,495	2,435	1,383	36,678
Finance charges	(1,717)	(2,408)	(568)	(384)	(5,077)
Net present values	**14,648**	**14,087**	**1,867**	**999**	**31,601**
31 December 2019					
Lease payments	16,233	3,652	2,954	3,817	26,656
Finance charges	(1,542)	(489)	(549)	(952)	(3,532)
Net present values	**14,691**	**3,163**	**2,405**	**2,865**	**23,124**

17. Student deposits and accounts in credit

	Consolidated 2020	Consolidated 2019	University 2020	University 2019
Student accounts in credit	165,900	148,881	165,900	148,881
Income received in advance	38,434	29,684	33,677	24,428
Deposits	920	217	920	217
	205,254	178,782	200,497	173,526

Figures in R `000	Consolidated 2020	Consolidated 2019	University 2020	University 2019

18. Borrowings

a) Government loans secured by increment guarantees	796	1,406	796	1,406
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%.				
b) Loans secured by Government guarantees	-	877	-	877
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%.				
	796	2,283	796	2,283

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

Up to 1 year	533	610	533	610
Between 1 and 2 years	263	796	263	796
Between 2 and 5 years	-	877	-	877
	796	2,283	796	2,283
Less: current portion	(533)	(610)	(533)	(610)
	263	1,673	263	1,673

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.

19. 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	369,438	274,539	369,438	274,539
Grants received during the year	58,933	160,900	58,933	160,900
Grants to be returned	(32,394)	-	(32,394)	-
Grants utilised to reduce asset cost	(43,138)	(66,001)	(43,138)	(66,001)
	352,839	369,438	352,839	369,438
Non-current portion of deferred revenue	(202,254)	(274,275)	(202,254)	(274,275)
Current portion transferred to current liabilities	(150,585)	(95,163)	(150,585)	(95,163)
	(352,839)	**(369,438)**	**(352,839)**	**(369,438)**

Notes to the Consolidated and Separate Financial Statements

20. Retirement benefit assets and obligations

Figures in R `000	Consolidated 2020	Consolidated 2019	University 2020	University 2019
Post-retirement medical benefits (note 20.1)	177,967	200,326	177,967	200,326
UJ Long service awards (note 20.4)	44,343	44,792	44,343	44,792
	222,310	245,118	222,310	245,118
Reconciliation of the actuarial gains / (losses) on long term employee benefits:				
Post-retirement medical benefits	32,242	34,940	32,242	34,940
UJ Pension fund	34,023	(31,097)	34,023	(31,097)
UJ Disability fund	4,173	(9,002)	4,173	(9,002)
UJ Long service awards	5,033	3,945	5,033	3,945
	75,471	(1,214)	75,471	(1,214)
Reconciliation of the change in asset limit:				
UJ Pension fund	394,221	49,743	394,221	49,743
UJ Disability fund	2,612	(10,211)	2,612	(10,211)
	396,833	39,532	396,833	39,532
Net Actuarial gain(losses) on defined benefit plans	472,304	38,318	472,304	38,318
UJ pension fund (note 20.2)	503,060	64,321	503,060	64,321

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

	2017	2018	2019	2020
Defined benefit obligation (note 20.1 and 20.4)	(266,738)	(266,573)	(245,118)	(222,310)
Fair value of plan assets (note 20.2)	65,024	62,182	64,321	503,060
Retirement benefit obligation (asset)	(201,714)	(204,391)	(180,797)	280,750

Notes to the Consolidated and Separate Financial Statements

Retirement benefit assets and obligations continued...

20.1 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 2020.

Figures in R `000	Consolidated 2020	Consolidated 2019	University 2020	University 2019
Present value of the obligation	(177,967)	(200,326)	(177,967)	(200,326)
	(177,967)	(200,326)	(177,967)	(200,326)

Reconciliation of the movement in the defined benefit obligation:

Figures in R `000	Consolidated 2020	Consolidated 2019	University 2020	University 2019
Present value of obligation: beginning of the year	(200,326)	(223,597)	(200,326)	(223,597)
Current service cost	(2,373)	(3,108)	(2,373)	(3,108)
Interest cost	(20,317)	(21,453)	(20,317)	(21,453)
Benefits paid	12,807	12,892	12,807	12,892
	(210,209)	(235,266)	(210,209)	(235,266)
Less remeasurements:				
- (Gain)/loss from change in financial assumptions	(23,890)	(13,705)	(23,890)	(13,705)
- (Gain)/loss from change in demographic assumptions	(8,352)	(21,235)	(8,352)	(21,235)
	(32,242)	(34,940)	(32,242)	(34,940)
Present value of obligation: end of the period	(177,967)	(200,326)	(177,967)	(200,326)

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.

Notes to the Consolidated and Separate Financial Statements

Figures in R `000	Consolidated 2020	Consolidated 2019	University 2020	University 2019

Retirement benefit assets and obligations continued...

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

Effective date of assumptions	31-Dec-20	31-Dec-19	31-Dec-20	31-Dec-19
Post retirement plan				
Discount rate	12.90%	10.50%	12.90%	10.50%
Health care cost inflation	9.10%	7.90%	9.10%	7.90%
Expected retirement age	65 yrs	65 yrs	65 yrs	65 yrs
CPI Inflation	3.50%	5.90%	3.50%	5.90%
UJ's best estimate of contributions and benefits expected to be paid to the plan during the annual period beginning after reporting date:	(12,686)	(11,397)	(12,686)	(11,397)

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%	Decrease by 9.1%	Increase by 10.7%
Discount rate	1,00%	Increase by 10.8%	Decrease by 9.1%
		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.

Retirement benefit assets and obligations continued...

20.2 Pension obligations - Wholly funded

The University has established post retirement pension schemes that cover all employees. 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 2020. 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.

Figures in R `000	Consolidated 2020	Consolidated 2019	University 2020	University 2019
Balance at end of the year				
Present value of the obligation	(789,004)	(768,770)	(789,004)	(768,770)
Fair value of plan assets	1,384,114	1,348,019	1,384,114	1,348,019
Unrecognised surplus due to IAS 19(a) limit	(90,178)	(513,056)	(90,178)	(513,056)
Defined benefit surplus at 31 December	504,932	66,193	504,932	66,193

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

Figures in R `000	Consolidated 2020	Consolidated 2019	University 2020	University 2019
Defined benefit obligation at beginning of the year	768,770	809,364	768,770	809,364
Member contributions	1,400	1,593	1,400	1,593
Service cost	4,733	5,156	4,733	5,156
Interest cost	66,551	72,134	66,551	72,134
	841,454	888,247	841,454	888,247
Remeasurements:				
- Actuarial (gain)/loss	16,438	(24,036)	16,438	(24,036)
Benefit payments	(68,888)	(95,441)	(68,888)	(95,441)
Defined benefit obligation at 31 December	**789,004**	**768,770**	**789,004**	**768,770**

Reconciliation of the fair value of plan assets

Figures in R `000	Consolidated 2020	Consolidated 2019	University 2020	University 2019
Fair Value of assets as at 1 January	1,348,019	1,312,612	1,348,019	1,312,612
University contributions	2,759	3,075	2,759	3,075
Member contributions	1,400	1,593	1,400	1,593
	1,352,178	1,317,280	1,352,178	1,317,280
Remeasurements:				
-Net interest income/expense	118,409	119,119	118,409	119,119
-Actuarial gain/(loss)	(17,585)	7,061	(17,585)	7,061
	100,824	126,180	100,824	126,180
Benefits paid	(68,888)	(95,441)	(68,888)	(95,441)
Fair Value of assets as at 31 December	**1,384,114**	**1,348,019**	**1,384,114**	**1,348,019**

Notes to the Consolidated and Separate Financial Statements

Figures in R `000	Consolidated 2020	Consolidated 2019	University 2020	University 2019
Retirement benefit assets and obligations continued...				
The actual return on plan assets is as follows:	100,824	126,180	100,824	126,180

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	4.99%	8.40%	4.99%	8.40%
Equity	43.19%	43.91%	43.19%	43.91%
Bonds	22.16%	21.11%	22.16%	21.11%
Property	1.16%	2.26%	1.16%	2.26%
International	26.42%	22.26%	26.42%	22.26%
Other	2.08%	2.06%	2.08%	2.06%
Total	100 %	100 %	100 %	100 %

Plan assets are valued at the current market value as required by IAS 19 as at 31 December 2020.

Discount rate	8.10%	9.00%	8.10%	9.00%
Inflation rate	3.50%	4.60%	3.50%	4.60%
Salary increase rate	4.50%	5.60%	4.50%	5.60%
Pension increase allowance (Ex-NTRF)	1.93%	2.53%	1.93%	2.53%
Pension increase allowance (Other pensioners)	2.28%	3.64%	2.28%	3.64%

UJ's best estimate of contributions expected to be paid to the plan during the annual period beginning after reporting date:	1,428	4,859	1,428	4,859

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

Notes to the Consolidated and Separate Financial Statements

Figures in R `000

Retirement benefit assets and obligations continued...

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.

	Obligation	+1%	-1%
Discount rate			
Defined benefit obligation	(789,004)	(726,573)	(868,008)
Change		(7.9%)	10.00%
Inflation rate			
Defined benefit obligation	(789,004)	(837,046)	(747,933)
Change		6.10%	(5.2%)

Notes to the Consolidated and Separate Financial Statements

Retirement benefit assets and obligations continued...

20.3 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 2020.

Figures in R `000	Consolidated 2020	Consolidated 2019	University 2020	University 2019
Balance at end of the year				
Present value of the obligation	(40,879)	(45,324)	(40,879)	(45,324)
Fair value of plan assets	180,757	172,540	180,757	172,540
Unrecognised surplus due to IAS 19(a) limit	(139,878)	(127,216)	(139,878)	(127,216)
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.

Figures in R `000	Consolidated 2020	Consolidated 2019	University 2020	University 2019
Reconciliation of the movement in the defined benefit obligation:				
Present value of obligation: beginning of the year	45,342	34,073	45,342	34,073
Current service cost	1,502	1,159	1,502	1,159
Interest cost	3,220	2,519	3,220	2,519
	50,064	37,751	50,064	37,751
- Actuarial (gain)/loss	1,469	18,293	1,469	18,293
Benefits paid (net of reinsurance proceeds)	(10,636)	(10,702)	(10,636)	(10,702)
Present value of obligation: end of year	40,897	45,342	40,897	45,342
Reconciliation of the movement in the plan assets:				
Present value of assets beginning of the year	172,540	160,617	172,540	160,617
Contributions (net of reinsurance premiums)	(1,502)	(1,159)	(1,502)	(1,159)
Value of assets as at 31 December	171,038	159,458	171,038	159,458
Remeasurements:				
-Net interest income/expense	13,211	13,352	13,211	13,352
-Actuarial (loss)/gain	5,642	9,291	5,642	9,291
	18,853	22,643	18,853	22,643
Benefits (net of reinsurance premiums)	(9,134)	(9,561)	(9,134)	(9,561)
Value of assets as at 31 December	180,757	172,540	180,757	172,540
The actual return on plan assets is as follows:	18,853	22,643	18,853	22,643

Notes to the Consolidated and Separate Financial Statements

Figures in R `000	Consolidated 2020	Consolidated 2019	University 2020	University 2019

Retirement benefit assets and obligations continued...

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

Cash	(0.13%)	(0.37%)	(0.13%)	(0.37%)
Equity	46.60%	44.61%	46.60%	44.61%
Bonds	19.19%	17.72%	19.19%	17.72%
Property	3.20%	7.41%	3.20%	7.41%
International	28.96%	26.81%	28.96%	26.81%
Other	2.18%	3.82%	2.18%	3.82%
Total	100 %	100 %	100 %	100 %

Plan assets are valued at the current market value as required by IAS 19 as at 31 December 2020.

Claimants				
Number of members	21	25	21	25
Annual benefit	9,022	10,125	9,022	10,125
Annual reinsured benefit	1,259	1,830	1,259	1,830
Benefit weighted average service	58.2 yrs	58.0 yrs	58.2 yrs	58.0 yrs
Effective date of assumptions	31 Dec 2020	31 Dec 2019	31 Dec 2020	31 Dec 2019
The principal assumptions used for accounting purposes were as follows:				
General inflation rate	2.40%	3.70%	2.40%	3.70%
Discount rate	5.60%	7.90%	5.60%	7.90%
Expected increases in benefits	3.40%	4.70%	3.40%	4.70%

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 5,3%	Decrease by 4,9%
Discount rate	1.00%	Decrease by 4,0%	Increase by 4,4%

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.

Retirement benefit assets and obligations continued...

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 (Policy holder) 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 Policy holder. The profit accumulation of the fund may be used to maintain benefits that could be adversely affected by circumstances beyond the control of the Policy holder. 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 Policy holder 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

Figures in R `000	Consolidated 2020	Consolidated 2019	University 2020	University 2019

Retirement benefit assets and obligations continued...

20.4 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:

	Consolidated 2020	Consolidated 2019	University 2020	University 2019
Present value of obligation: beginning of the year	44,792	42,976	44,792	42,976
Current service cost	5,700	5,687	5,700	5,687
Interest cost	3,935	3,944	3,935	3,944
	54,427	52,607	54,427	52,607
- Actuarial (gain)/loss	(5,033)	(3,945)	(5,033)	(3,945)
Benefits paid	(5,051)	(3,870)	(5,051)	(3,870)
Present value of obligation: end of period	**44,343**	**44,792**	**44,343**	**44,792**
The University's best estimate of awards expected to be paid to employees during the annual period beginning after reporting date:	4,021	5,051	4,021	5,051
The significant actuarial assumptions were as follows:				
Discount rate	10.00%	9.30%	10.00%	9.30%
Salary inflation	6.50%	6.40%	6.50%	6.40%
CPI inflation	5.00%	4.90%	5.00%	4.90%
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 6.9%	Increase by 7.8%
Salary inflation	1%	Increase by 7.7%	Decrease by 6.9%
Expected retirement age	1 year	Increase by 12.3%	Decrease by 10.4%

Notes to the Consolidated and Separate Financial Statements

Figures in R `000	Consolidated 2020	Consolidated 2019	University 2020	University 2019

21. State appropriations - subsidies and grants

Block grant	2,436,000	2,346,636	2,436,000	2,346,636
University capacity development	54,505	47,553	54,505	47,553
Foundation phase development	52,427	44,137	52,427	44,137
Interest and redemption of government approved loans	767	730	767	730
Clinical training of health professionals	16,137	8,885	16,137	8,885
nGAP	12,956	-	12,956	-
	2,572,792	**2,447,941**	**2,572,792**	**2,447,941**

22. Tuition and other fee income

Tuition Fees	1,699,779	1,683,976	1,699,779	1,684,565
Registration Fees	33,461	35,202	33,461	35,202
Levy Income	30,995	33,336	30,995	33,336
Deposit Income Retained	-	219	-	219
Other Fees	210	272	210	272
Tuition and other related fees	1,764,445	1,753,005	1,764,445	1,753,594
Residence Fees	210,456	205,356	201,379	195,200
	1,974,901	1,958,361	1,965,824	1,948,794

23. Research income

Research income NRF	135,393	136,871	135,393	136,871
Contract Research International	29,412	14,282	29,412	14,282
Contract Research National	68,863	35,803	68,863	36,366
Non-Obligated Research income	11,818	9,040	11,818	9,040
Research donations	85	-	85	-
	245,571	195,996	245,571	196,559

24. Other operating income

Sundry income	8,837	5,044	8,872	4,810
Hire out of facilities	4,612	7,083	4,625	8,136
Consultation/Evaluation income	5,313	26,423	5,313	26,423
Project income	76,324	24,710	73,873	21,780
Public sales and services	52,471	111,420	34,870	79,973
Other income	4,887	9,063	4,887	9,063
Insurance claim	2,237	753	2,237	754
PPE gains	39	495	39	495
Donations	157,416	173,262	205,416	188,261
Total other income	**312,136**	**358,253**	**340,132**	**339,695**

Notes to the Consolidated and Separate Financial Statements

Figures in R `000	Consolidated 2020	Consolidated 2019	University 2020	University 2019

25. Personnel costs

Academic professionals	1,230,286	1,147,682	1,230,286	1,132,766
Support personnel	1,443,932	1,400,727	1,412,439	1,382,522
Other post-retirement costs	12,652	10,849	12,652	10,708
Pension cost - defined contribution plans	207,175	219,727	207,175	216,871
Pension cost - defined benefit plans	7,224	10,960	7,224	10,817
	2,901,269	**2,789,945**	**2,869,776**	**2,753,685**

Average number of personnel in service at the University of Johannesburg and its subsidiaries during the year:

Full Time	4,498	4,348	4,411	4,348
Part Time	3,622	3,674	3,167	3,674

26. Bursaries Awarded

Student bursaries awarded	495,231	479,423	495,231	479,423

Notes to the Consolidated and Separate Financial Statements

27. Other expenses

Figures in R `000	Consolidated 2020	Consolidated 2019	University 2020	University 2019
Other expenses comprise:				
Auditors remuneration	14,420	18,256	14,364	18,230
- external audit	7,205	8,152	7,205	8,164
- internal audit	4,662	5,164	4,662	5,164
- other audit services	2,553	4,940	2,497	4,902
Advertising	38,727	34,754	38,317	34,188
Bank charges	7,160	4,908	7,103	4,836
Books and periodicals	137,584	135,088	137,584	135,088
Cartridges	2,665	4,214	2,663	4,211
Cleaning	23,946	17,473	23,342	16,824
Conference registration fees	8,254	15,769	8,251	15,768
Consulting fees	71,769	82,290	69,786	80,612
Copyright fees	6,125	5,900	6,125	5,900
Corporate functions	2,706	9,592	2,706	9,592
Cost of sales	2,178	8,915	2,178	8,812
Data lines	6,924	7,140	6,924	7,140
Foreign exchange (gains)/losses	1,198	(2,574)	1,198	(2,574)
Fuel, Oil and Gas	7,947	8,675	7,608	8,393
Functions and entertainment	14,892	32,837	14,668	45,557
Grants and donations	679	17	41,337	17
Insurance	12,131	11,133	12,127	11,124
Leases of low value assets	810	26,196	810	25,733
Legal expense	11,966	10,139	11,740	10,124
Medical Aid Pensioners	12,638	10,708	12,638	10,708
Membership fees	9,076	10,887	9,031	10,852
Municipal rates, taxes and electricity	154,108	184,909	146,727	175,864
Other expenses	145,433	158,841	128,359	184,806
Printing	19,410	26,989	19,211	26,719
Protective clothing	5,970	5,744	5,751	5,420
Repairs and maintenance	117,640	121,284	121,923	126,062
Security contracts	22,536	26,663	22,536	26,663
Services Rendered - outsourced	41,473	48,487	40,662	48,776
Short-term leases	43,142	13,220	41,164	30,923
Software licenses	68,300	55,959	67,651	55,534
Staff development	11,748	17,456	11,430	16,860
Stationery	3,337	4,365	3,261	4,292
Student expenses	9,430	68,306	9,430	19,006
Tax expense in subsidiaries	(203)	731	-	10
Teaching and laboratory consumables	28,880	34,243	28,584	33,820
Telephone and fax	3,750	3,390	3,330	2,999
Travel and accommodation	28,010	108,627	27,986	108,599
	1,096,759	**1,331,531**	**1,108,505**	**1,327,488**

Notes to the Consolidated and Separate Financial Statements

Figures in R `000	Consolidated 2020	Consolidated 2019	University 2020	University 2019
28. Impairment (losses)				
Loans to subsidiaries and other entities (note 4)	3,127	150	3,127	150
Other	5,012	-	-	-
	8,139	**150**	**3,127**	**150**
29. Finance income				
Student fees	33,886	28,651	33,730	28,455
Current accounts	5,384	7,404	4,343	5,759
	39,270	**36,055**	**38,073**	**34,214**
30. Finance costs				
Borrowings	277	628	158	232
Lease obligations	247	45	1,483	493
Defined benefit plan	23,302	4,313	23,302	4,313
	23,826	**4,986**	**24,943**	**5,038**
31. Income from investments				
Dividends on fair value through profit or loss financial assets	40,456	50,965	27,178	33,146
Interest on fair value through profit or loss financial assets	204,609	217,896	187,345	201,724
	245,065	**268,861**	**214,523**	**234,870**
32. Investments fair value gains/(losses)				
Fair value movement transfer on disposal of investments	34,313	114,531	22,818	90,121
Profit on sale of investments	45,216	235,042	31,884	180,427
Loss on sale of investments	(10,903)	(120,511)	(9,066)	(90,305)
Unrealised fair value movement transfer on investments	151,345	100,037	116,420	65,954
Unrealised profit	180,723	4,064,510	142,316	2,873,550
Unrealised loss	(29,378)	(3,964,473)	(25,896)	(2,807,597)
Fair value movement on investments	**185,658**	**214,568**	**139,238**	**156,075**

Figures in R `000

33. 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%	Qoboza Klaaste Building, 20 Heights St, Doornfontein
• 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. Inactive, company in process of liquidation	31 December	100%	Cnr University and Kingsway Rd, Auckland Park
• University of Johannesburg / 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 appointed 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 virtue 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

Figures in R `000

Related parties continued...

• IntelliLAB (Pty) Ltd IntelliLAB is a Media Production Company. Its objective is to create innovative video content for mostly TV channels, but also to integrate all possible media channels. 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**
• Naledi Computer Systems (Pty) Ltd The principal activities of this company is to provide computer related services, products and technology. Inactive, company in process of liquidation.	31 December	80.00%	20.00%	Forty Four Main Street, Johannesburg
• Photovoltaic Intellectual Property (Pty) Ltd The principal activities of this company is to research, develop and manufacture a renewable energy photovoltaic panel. Inactive, company in process of liquidation.	28 February	38.44%	N/A	Zidela House, 30 Techno Avenue, Techno Park, Stellenbosch
• EyeThenticate (Pty) Ltd Retina scanning technology. Inactive, company in process of liquidation.	28 February	43.80%	N/A	Cnr University and Kingsway Rd, Auckland Park

Related parties continued...

• 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. Inactive, company in process of deregistration.	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 Separate Financial Statements

Figures in R `000	Consolidated 2020	Consolidated 2019	University 2020	University 2019

Related parties continued...

33.1 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 2020	Consolidated 2019	University 2020	University 2019
Salaries and other short-term employee benefits				
- members of council	848	650	848	650
- management (note 40)	62,740	75,345	62,740	75,345
	63,588	75,996	63,588	75,996

Members of Council	Consolidated 2020	Consolidated 2019	University 2020	University 2019
Baleni MF	82	66	82	66
Ditsego T	-	4	-	4
Dlamini S	38	34	38	34
Gebhardt CR	4	4	4	4
Gugushe K	76	69	76	69
Hildebrandt D	51	25	51	25
Kakana X	42	68	42	68
Khosa G	51	35	51	35
Khoza M	42	13	42	13
Khumalo M	55	21	55	21
Mateza L	19	4	19	4
Matlala Z	50	36	50	36
Memela Khambule T	-	19	-	19
Ndema Y	69	66	69	66
Rowland W	114	112	114	112
Teke MS	90	70	90	70
Van Staden C	13	4	13	4
	848	650	848	650

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 2020			
Chair of Council	2	159	-
Chairs of Committees	6	354	2
Members of Council	8	335	-
31 December 2019			
Chair of Council	2	136	-
Chairs of Committees	6	275	9
Members of Council	8	235	-
Non Council Members	1	4	-

Notes to the Consolidated and Separate Financial Statements

Figures in R `000

Related parties continued...

33.2 Related party transactions and balances

Loans to related parties:

Consolidated	Photovoltaic Intellectual Property (Pty) Ltd		Praestet (Pty) Ltd		Zepher		Total	
	2020	2019	2020	2019	2020	2019	2020	2019
Opening balance	5,772	15,118	3,335	3,335	589	589	9,696	19,042
Loans advances during year	-	654	300	-	-	-	300	654
Loans repayment received	-	(10,000)	-	-	-	-	-	(10,000)
Reallocation/Write off	(3,476)	-	-	-	-	-	(3,476)	-
Impairment of loan	-	-	(3,635)	-	(589)	-	(4,224)	-
Closing balance	2,296	5,772	-	3,335	-	589	2,296	9,696

University	Photovoltaic Intellectual Property (Pty) Ltd		Resolution Circle (Pty) Ltd		A Million Up Investments 76 (Pty) Ltd		Praestet (Pty) Ltd		Zepher		Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Opening balance	5,772	15,118	527	5,190	12,971	5,699	-	-	589	589	19,859	26,596
Loans advances during year	-	654	-	-	-	7,272	150	150	-	-	150	8,076
Loans repayment received	-	(10,000)	(527)	(4,663)	(961)	-	-	-	-	-	(1,488)	(14,663)
Reallocation/Write off	(3,476)	-	-	-	-	-	-	-	-	-	(3,476)	-
Impairment of loan	-	-	-	-	-	-	(150)	(150)	(589)	-	(739)	(150)
Closing balance	2,296	5,772	-	527	12,010	12,971	-	-	-	589	14,306	19,859

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

Investments in related parties:

University	UJIvnt (Pty) Ltd		UJ Properties (Pty) Ltd		Gradnet Portal (Pty) Ltd		Total	
	2020	2019	2020	2019	2020	2019	2020	2019
Opening balance	45	-	90,636	90,636	3,605	3,605	94,286	94,241
Investments during year	255	45	-	-	-	-	255	45
Closing balance	300	45	90,636	90,636	3,605	3,605	94,541	94,286

Notes to the Consolidated and Separate Financial Statements

Figures in R `000	Consolidated 2020	Consolidated 2019	University 2020	University 2019
Related parties continued...				
33.3 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	-	-	7,437	22,237
from UJ Properties (Pty) Ltd	-	-	11,044	10,557
(b) Sale of goods and services				
Sale of services:				
to Resolution Circle (Pty) Ltd	-	-	253	2,295
to Youth Development Institute of South Africa	12	508	12	508
to UJ Properties (Pty) Ltd	-	-	590	3,625
to University Sports Company (Pty) Ltd	315	458	315	458
to Gradnet Portal (Pty) Ltd	-	-	-	13
to Million Up Trading (Pty) Ltd	-	-	3,401	2,340
(c) Year-end balances arising from purchases of goods/services				
Payables to related parties:				
Resolution Circle (Pty) Ltd	-	-	373	949
UJ Properties (Pty) Ltd	-	-	1,058	1,015
(d) Year-end balances arising from sales of goods/services:				
Receivables from related parties:				
Resolution Circle (Pty) Ltd	-	-	95	-
UJ Properties (Pty) Ltd	-	-	20	-
University Sports Company (Pty) Ltd	26	34	26	34
(f) Donations to and from related parties:				
Donation to related parties:				
Million Up Trading (Pty) Ltd	-	-	40,658	-
Donation from related parties:				
UJ Trust	-	-	48,000	15,000

34. 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.

34.1

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.

34.2 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 11.

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.

Figures in R `000	Consolidated 2020	Consolidated 2019	University 2020	University 2019

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 11.

A 1% change in the interest rate could have a Consolidated R18 052 / University R18 052 (2019: Consolidated R13 760 thousand / University R13 760 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 R18 052/ University R18 052 (2019: Consolidated R13 760 thousand / University R13 760 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	2,990,307	2,690,000	2,311,618	2,042,000
10% change impact	300,000	269,000	200,000	204,200

For the period ended 31 December 2020, 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 990 million / University R2 312 million (2019: Consolidated R2 690 million / University R2 042 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.

Figures in R `000	Consolidated 2020	Consolidated 2019	University 2020	University 2019

Financial risk management continued...

34.3 Credit risk

Credit risk is the risk of financial loss to the University if a customer, student or counter party 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. Credit worthiness 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 probability of default is determined using an appropriate credit rating.

Details of the student receivables as at 31 December 2020:

Student receivables	364,510	308,427	360,703	304,236
- fully performing	-	-	-	-
- past due but not impaired (4 months overdue)	89,228	169,993	89,287	165,802
- impaired (more than 4 months overdue)	275,282	138,434	271,416	138,434
Less: Provision for impairment	(275,282)	(138,434)	(271,416)	(138,434)
Student receivables – net carrying amount	89,228	169,993	89,287	165,802

Notes to the Consolidated and Separate Financial Statements

Figures in R `000	Consolidated 2020	Consolidated 2019	University 2020	University 2019

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 2020 are as follows:

Other receivables	467,128	238,885	452,146	239,164
- fully performing	458,399	228,673	443,500	229,035
- past due but not impaired	-	-	-	-
- impaired	8,729	10,212	8,646	10,129
Less: Provision for impairment	(8,729)	(10,212)	(8,646)	(10,129)
Other receivables – net carrying amount	458,399	228,673	443,500	229,035

Student receivables				
At 1 January	138,434	137,621	138,434	137,621
Provision for receivables impaired	191,954	56,272	191,954	56,272
Receivables written off during the year as uncollectable	(58,964)	(55,459)	(58,964)	(55,459)
At 31 December	271,424	138,434	271,424	138,434

Ageing of provision for impairment				
Handed over to collecting agencies – 2018	74,517	61,847	113,935	61,847
Handed over to collecting agencies – 2019	82,964	64,953	82,964	64,953
4 Months overdue	117,801	11,633	74,517	11,633
	275,282	138,434	271,416	138,434

Other receivables				
At 1 January	10,212	13,100	10,129	12,550
Provision for receivables impaired	6,908	404	6,908	-
Receivables written off during the year as uncollectable	(8,391)	(3,292)	(8,391)	(2,421)
At 31 December	8,729	10,212	8,646	10,129

Notes to the Consolidated and Separate Financial Statements

Figures in R `000	Consolidated 2020	Consolidated 2019	University 2020	University 2019
Financial risk management continued...				
Ageing of provision for impairment				
Handed over to collecting agencies – 2017	-	666	-	666
Handed over to collecting agencies – 2018	878	1,040	878	1,040
Handed over to collecting agencies – 2019	2,095	-	2,095	-
Handed over to collecting agencies – 2020	1,515	-	1,515	-
Impaired as at reporting date	6,399	8,506	2,428	8,423
	10,887	10,212	6,916	10,129

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

Student receivables

	Current Year	Prior Year	More than two years ago	Total
Consolidated - 2020				
Gross receivable	206,470	82,964	74,517	363,951
Provision for expected losses	117,801	82,964	74,517	275,282
Expected loss rate	57 %	100 %	100 %	76 %
Consolidated - 2019				
Gross receivable	181,627	64,953	61,847	308,427
Provision for expected losses	11,633	64,953	61,847	138,433
Expected loss rate	6 %	100 %	100 %	45 %
University - 2020				
Gross receivable	202,663	82,964	74,517	360,144
Provision for expected losses	113,935	82,964	74,517	271,416
Expected loss rate	56 %	100 %	100 %	75 %
University - 2019				
Gross receivable	177,436	64,953	61,847	304,236
Provision for expected losses	11,633	64,953	61,847	138,433
Expected loss rate	7 %	100 %	100 %	46 %

Due to the nature of its operations, the University tracks outstanding fees on an academic year basis. The University considers all prior years' outstanding fees as past due. The University anticipates that the majority of the current year fees will be settled as part of the registration process for the 2021 academic year. It is the University policy that returning students are not allowed to register with outstanding fee debt.

Notes to the Consolidated and Separate Financial Statements

Figures in R `000

Financial risk management continued...

Other receivables

	Current	0 - 30 days	30 - 60 days	60 days +	Total
Consolidated - 2020					
Gross receivable	219,512	9,708	6,528	17,096	252,844
Provision for expected losses	-	-	-	8,729	8,729
Expected loss rate	0 %	0 %	0 %	51 %	3 %
Consolidated - 2019					
Gross receivable	146,373	16,310	7,115	27,084	196,882
Provision for expected losses	-	-	3,151	7,061	10,212
Expected loss rate	0 %	0 %	44 %	26 %	5 %
University - 2020					
Gross receivable	210,777	9,708	6,528	17,096	244,109
Provision for expected losses	-	-	-	8,646	8,646
Expected loss rate	0 %	0 %	0 %	51 %	4 %
University - 2019					
Gross receivable	150,116	16,310	7,115	27,084	200,625
Provision for expected losses	-	-	3,068	7,061	10,129
Expected loss rate	0 %	0 %	43 %	26 %	5 %

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 10.

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.

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 counter party default rates.

Notes to the Consolidated and Separate Financial Statements

Figures in R `000	Consolidated 2020	Consolidated 2019	University 2020	University 2019
Financial risk management continued...				
Trade receivables				
Counter parties without external credit rating:				
- Current students which will register in 2021.	89,228	169,993	89,287	165,802
These students are still studying and had no defaults in the past.				
The University expects them to pay their outstanding fees during the 2021 registration period.				
This is interest and dividends receivable at year end from the available-for-sale financial assets which are all invested at BB+ (2019: BB+) rated entities.				
- Other receivables	244,115	186,670	235,463	190,496
Group 1 *				
	517,343	356,663	508,750	356,298
Cash and cash equivalents				
BB+ (2019: BB+) Rating:				
- Prime South African Bank	1,805,152	1,419,499	1,805,152	1,419,499
	1,805,152	1,419,499	1,805,152	1,419,499
Fair value financial assets				
BB+ (2019: BB+) Rating:				
- Government stocks and bonds	394,885	283,068	328,780	228,375
- Listed stocks and debentures	440,915	440,939	343,657	336,225
- Listed shares all top 40 companies	2,990,307	2,690,118	2,311,618	2,042,178
- Fixed and other deposits, prime South African Banks	234,784	392,753	221,919	355,411
- Endowment policies, top 40 South African insurance companies	30,123	24,474	30,123	24,473

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

Notes to the Consolidated and Separate Financial Statements

Figures in R `000

Financial risk management continued...

34.4 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 post employment 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 2020					
Borrowings	533	263	-	-	796
Accounts payable	1,217,315	-	-	-	1,217,315
	1,217,848	**263**	**-**	**-**	**1,218,111**
31 December 2019					
Borrowings	610	796	877	-	2,283
Accounts payable	1,019,981	-	-	-	1,019,981
	1,020,591	**796**	**877**	**-**	**1,022,264**
University					
31 December 2020					
Borrowings	533	263	-	-	796
Accounts payable	1,217,011	-	-	-	1,217,011
	1,217,544	**263**	**-**	**-**	**1,217,807**

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 Years	Over 5 Years	Total
31 December 2019					
Borrowings	610	796	877	-	2,283
Accounts payable	1,014,257	-	-	-	1,014,257
	1,014,867	**796**	**877**	**-**	**1,016,540**

Financial risk management continued...

34.5 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.

Notes to the Consolidated and Separate Financial Statements

Figures in R `000

Financial risk management continued...

34.6 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 2020			
Fair value through profit or loss financial assets	-	4,091,015	**4,091,015**
Trade and other receivables (excluding prepayments)	547,627	-	**547,627**
Cash and cash equivalents	1,964,530	-	**1,964,530**

	Financial liabilities at amortised cost
Financial liabilities	
Borrowings	796
Trade payables	1,217,315

	Loans & receivables	FVPL	Total
31 December 2019			
Fair value through profit or loss financial assets	-	3,831,352	**3,831,352**
Trade and other receivables (excluding prepayments)	398,666	-	**398,666**
Cash and cash equivalents	1,531,626	-	**1,531,626**

	Financial liabilities at amortised cost
Financial liabilities	
Borrowings	2,283
Trade payables	1,020,271

	Loans & receivables	FVPL	Total
University			
31 December 2020			
Fair value through profit or loss financial assets	-	3,236,097	**3,236,097**
Trade and other receivables (excluding prepayments)	532,787	-	**532,787**
Cash and cash equivalents	1,945,866	-	**1,945,866**

Figures in R `000

Financial risk management continued...

	Financial liabilities at amortised cost
Financial liabilities	
Borrowings	796
Trade payables	1,217,011

31 December 2019			
Fair value through profit or loss financial assets	-	2,986,662	**2,986,662**
Trade and other receivables (excluding prepayments)	394,837	-	**394,837**
Cash and cash equivalents	1,513,519	-	**1,513,519**

	Financial liabilities at amortised cost
Financial liabilities	
Borrowings	2,283
Trade payables	1,014,715

34.7 Fair value estimation

The University applies 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 Separate Financial Statements

Figures in R `000

Financial risk management continued...

The following table presents the Consolidated assets and liabilities that are measured at fair value at 31 December 2020:

	Level 1	Level 2	Total
Consolidated			
Fair value through profit or loss financial assets			
- listed shares	2,990,307	-	2,990,307
- listed stocks and debentures	440,915	-	440,915
- government stocks and bonds	394,885	-	394,885
- fixed deposits	-	51,227	51,227
- other deposits and loans	-	183,557	183,557
- endowment policies	-	30,123	30,123
Borrowings	-	(796)	(796)
	3,826,108	**264,111**	**4,090,219**

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
Borrowings	-	(2,283)	(2,283)
	3,414,125	**414,944**	**3,829,069**

The following table presents the assets and liabilities that are measured at fair value at 31 December 2020:

	Level 1	Level 2	Total
University			
Fair value through profit or loss financial assets			
- listed shares	2,311,618	-	2,311,618
- listed stocks and debentures	343,657	-	343,657
- government stocks and bonds	328,780	-	328,780
- fixed deposits	-	51,227	51,227
- other deposits and loans	-	170,692	170,692
- endowment policies	-	30,123	30,123
Borrowings	-	(796)	(796)
	2,984,054	**251,246**	**3,235,300**

Figures in R `000

Financial risk management continued...

The following table presents the 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
Borrowings	-	(2,283)	(2,283)
	2,606,778	**377,601**	**2,984,379**

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. Call accounts are valued at cost plus accrued interest. Interest is accrued on a straight-line basis. Transactions and balances in foreign currencies are translated into functional currency using exchange rates prevailing at the time of the transaction or valuation where items are remeasured. Foreign exchange gains/losses are recognised in the income statement. Borrowings are valued at amortised cost using an effective interest method.

Notes to the Consolidated and Separate Financial Statements

Figures in R `000	Consolidated 2020	Consolidated 2019	University 2020	University 2019

35. Cash flows from operating activities

Profit for the year	767,846	708,934	724,469	618,090
Adjustments for:				
– increase in student credit losses provision (note 10)	136,848	813	136,848	813
– (decrease) in non-student credit losses provision (note 10)	(1,483)	(2,888)	(1,483)	(2,421)
– depreciation (note 6)	82,636	104,725	91,322	114,070
– amortisation (note 7)	1,538	3,559	1,534	3,529
– profit on disposal of property, plant and equipment	(39)	(495)	(39)	(495)
– finance income (note 29)	(39,270)	(36,055)	(38,073)	(34,214)
– interest income on investments (note 31)	(204,609)	(217,896)	(187,345)	(201,724)
– finance cost (note 30)	23,826	4,986	24,943	5,038
– impairment losses (note 28)	(8,139)	150	(3,127)	150
– dividends received (note 31)	(40,456)	(50,965)	(27,178)	(33,146)
– investments fair value (gains)/losses (note 32)	(185,658)	(214,568)	(139,238)	(156,075)
– movement in post-retirement obligations and assets (note 20)	(461,547)	(23,912)	(461,547)	(23,912)
– foreign exchange losses on operating activities (note 27)	(1,198)	2,574	(1,198)	2,574
– non-cash movement on borrowings (note 18)	(1,487)	(8,354)	(1,487)	(628)
Changes in working capital:				
– receivables and prepayments (note 10)	(100,326)	67,713	(85,449)	53,873
– trade and other payables (note 15)	197,044	(91,079)	202,296	(62,627)
– student deposits and income received in advance (note 17)	26,473	(48,223)	26,972	(47,375)
– deferred income (note 19)	50,421	94,899	50,421	94,899
– short term deposits (note 13)	(820,000)	-	(820,000)	-
– inventory (note 9)	(2,742)	207	(2,685)	207
	(580,322)	**294,125**	**(510,044)**	**330,626**

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

Profit on disposal (note 6)	39	495	39	495
Net book amount (note 6)	1,188	510	1,188	510
Proceeds from disposal	1,227	1,005	1,227	1,005

Figures in R `000	Consolidated 2020	Consolidated 2019	University 2020	University 2019

Cash flows from operating activities continued...

Net Debt Reconciliation

Cash and cash equivalents	1,964,530	1,531,626	1,945,866	1,513,519
Borrowings - repayable within one year	-	(610)	-	(610)
Borrowings - repayable after one year	(796)	(1,673)	(796)	(1,673)
	1,963,734	1,529,343	1,945,070	1,511,236

	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 2019	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
Cash flows	432,904	610	877	434,391
Net debt as at 31 December 2020	1,964,530	-	(796)	1,963,734
University				
Net debt as at 1 January 2019	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
Cash flows	432,347	610	877	433,834
Net debt as at 31 December 2020	1,945,866	-	(796)	1,945,070

Reconciliation of liabilities arising from financing activities

	2019	Cash flows	Non - cash changes New leases	2020
Consolidation				
Lease liabilities	23,124	(16,168)	24,645	31,601
University				
Lease liabilities	23,124	(16,168)	24,645	31,601

36. Commitments

Commitments – approved, not contracted for	227,084	170,659	227,084	170,659
Commitments – contracted	91,375	52,201	91,375	52,201

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

Figures in R `000	Consolidated 2020	Consolidated 2019	University 2020	University 2019

37. Contingencies

37.1 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 14).
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 2020 the University exchanged different communications with CoJ personnel to resolve all queries but with little success. The University will negotiate an escalation process in 2021 again with City of Johannesburg to ensure all queries are resolved within a reasonable period.

Incorrect allocation of charges	8,324	8,327	8,324	8,327
Incorrect charges to be claimed back	(1,600)	(2,138)	(1,600)	(2,138)
Net contingent liability	**6,724**	**6,189**	**6,724**	**6,189**

37.2 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.

38. Going concern and Covid impact

The University considers itself a going concern as evidenced by financial outcomes of the 2020 financial year where revenue levels and cash position at year end increased resulting in a more favourable financially sustainable and liquid position at year end as evidenced by our reserves position (unrestricted, undesignated funds).

Per the 2021 budget, the annual increase in the main source of operational income, government subsidy, is confirmed to be at a similar quantum to prior year's, which when modelled from a liquidity and sustainability perspective alongside fee income and third stream income, will provision for the University's operations into the forseeable future.

There is however still significant economic uncertainty resulting from the Covid pandemic and existing macroeconomic factors that impact the financial sustainability of the University such as potential decline in subsidy allocation due to decline in the national fiscus, reduced research productivity and competing sector needs e.g. NFSAS funding; decline in student debt collection, third party funding for scholarships and contract research attributable to financial pressures emanating from declining economy; and uncertainty on future fee increases. These factors are more external in nature and managed through among other avenues prudent expenditure management, extensive fundraising drive and intensive effort in growth of third stream income.

From an internal factors perspective, the University has been able to service its obligations being primarily short term in nature while maintaining liquidity (as evidenced by year end cash position) and a healthy surplus attributable to prudent expenditure management and savings realised from reduced operational activity resulting from the national lockdown restrictions. Additional, unplanned compliance and precautionary expenses were incurred and supplemented by government funding through the Covid Responsiveness Grant, donation from the UJ Trust and reprioritised expenditure savings from the operational budget. These trends will continue into the 2021 financial year where the approved budget is premised on support for revenue-generating activities while prudence exercised with expenditure management.

At this stage the external factors indicted above are considered a remote possibility with the impact of COVID-19 not viewed as impacting the going concern principle, nor having a material impact on the financial statements.

39. **Events after balance sheet**

No adjusting or significant non-adjusting events have occurred between the 31 December reporting date and the date of authorisation.

Notes to the Consolidated and Separate Financial Statements

Figures in R `000

40. Executive Remuneration 2020

Designation	Name	Salary	Allowances	Employer Contributions	Total	Leave Days sold	Merit and Other Payments	Total	
Vice-Chancellor & Principal	T Marwala	3,996,144	95,543	359,856	4,451,543	171,282	877,945	5,500,770	*
Registrar	I C Burger	2,442,448	20,765	348,124	2,811,337	108,197	178,961	3,098,495	
Deputy Vice-Chancellor Academic	A Parekh	2,930,980	48,069	420,166	3,399,215	130,808	408,944	3,938,967	
Deputy Vice-Chancellor Research & Internationalisation	S Sinha	2,675,007	31,149	303,843	3,009,999	-	191,222	3,201,221	
Chief Financial Officer	N Mamorare	2,735,776	31,140	243,074	3,009,990	-	331,766	3,341,756	
Chief Operating Officer	A Swart	2,760,760	31,149	399,740	3,191,649	122,824	348,635	3,663,109	
Chief People Officer (previously referred to as DVC Employees & Student Affairs)	K C Mketi	-	-	-	-	-	-	-	
General Council	P H O'Brien	2,256,151	31,149	321,571	2,608,870	284,491	145,398	3,038,760	
Senior Executive Director in the Vice-Chancellor's office	NY Vukuza	2,489,122	24,000	303,878	2,817,000	-	282,206	3,099,206	
Executive Dean College of Business & Economics	D Van Lill	2,198,613	31,465	250,947	2,481,025	76,394	134,189	2,691,609	
Executive Dean Faculty of Art, Design & Architecture	F Freschi	-	-	-	-	-	-	-	
Executive Dean Faculty of Education	S J Gravett	1,959,598	50,765	307,031	2,317,394	89,199	136,599	2,543,192	
Executive Dean Faculty of Engineering & the Built Environment	D Mashao	1,898,108	20,765	231,726	2,150,599	-	146,038	2,296,636	
Executive Dean Faculty of Health Sciences	S Khan	1,695,596	20,765	150,654	1,867,015	-	180,157	2,047,171	
Executive Dean Faculty of Humanities	A B Broadbent	621,214	6,922	55,195	683,331	-	-	683,331	**
Executive Dean Faculty of Humanities	K Naidoo	1,096,919	13,844	133,915	1,244,677	-	6,945	1,251,622	***
Executive Dean Faculty of Law	L G Mpedi	1,879,359	20,765	245,411	2,145,535	82,589	120,822	2,348,947	
Executive Dean Faculty of Science	D Meyer	2,004,888	20,765	244,762	2,270,415	-	229,963	2,500,378	
Chief Information Officer	KF Sibanda	1,696,565	20,765	150,740	1,868,070	-	215,777	2,083,847	
Executive Director Academic Development & Support	R P Ryan	1,995,386	20,765	285,381	2,301,533	194,896	460,926	2,957,355	****
Executive Director Expenditure	S M Makinta	1,690,210	74,765	212,938	1,977,913	-	190,978	2,168,892	
Executive Director Financial Governance & Revenue	L Riba	1,646,318	20,765	200,987	1,868,070	-	122,630	1,990,700	
Executive Director Human Resources	T L Kwinana	1,666,034	20,765	211,059	1,897,858	36,532	185,345	2,119,734	

Figures in R `000

Executive Director Library and Information Centre	KM Frahm-Arp	1,694,475	19,590	152,830	1,866,895	-	85,653	1,952,548
Executive Director Operations	AL Nel	1,619,717	20,765	227,588	1,868,070	50,335	90,038	2,008,443
Executive Director Research & Innovation	C B Nonkwelo	1,699,524	122,472	207,482	2,029,478	-	183,872	2,213,350
		49,348,910	**819,674**	**5,968,897**	**56,137,481**	**1,347,547**	**5,255,009**	**62,740,038**

The merit and other payments includes payments made during the year for annual performance plans that was withheld and payable during 2020, as well as payments for staff retention incentives.

* **Remuneration of the Vice Chancellor and Principal**

Annual Remuneration	2,646,000	^
Accommodation Fringe Benefit	960,108	
Non Pensionable Salary	390,036	
Total Salary	**3,996,144**	

^ The Vice Chancellor and Principal donated R132 003 of his Annual Remuneration to the Solidarity Fund.

** Term concluded 31 April 2020

*** Appointed 01 May 2020

**** Retired 31 December 2020

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Figures in R `000

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	N Mamorare	2,385,227	171,140	211,773	2,768,140	-	1,986,285	4,754,425	
	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	**
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	***
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	****
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	*****

Notes to the Consolidated and Separate Financial Statements

Figures in R `000

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**

The merit and other payments includes payments made during the year for annual performance plans, as well as payments for staff retention incentives.

* **Remuneration of the Vice Chancellor and Principal**

Annual Remuneration	2,520,000	^
Accommodation Fringe Benefit	960,108	
Non Pensionable Salary	323,402	
Total Salary	**3,803,510**	

^ The Vice Chancellor and Principal donated R221 019 of his Annual Remuneration to the VC Scholarship for the University.

** 1 January 2019 to 31 August 2019

*** 1 January 2019 to 30 September 2019

**** 1 March 2019 to 31 December 2019

***** 1 July 2019 to 31 December 2019

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Consolidated and Separate Financial Statements for the year ended 31 December 2020

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 2020	Total 2019
Consolidated							
Total income		**4,828,239**	**537,697**	**5,365,936**	**209,455**	**5,575,391**	**5,480,035**
Recurring items		**4,828,200**	**537,697**	**5,365,897**	**209,455**	**5,575,352**	**5,479,540**
State appropriations – subsidies and grants	21	2,572,792	-	2,572,792	-	2,572,792	2,447,941
Tuition and other fee income	22	1,764,087	9,434	1,773,521	201,379	1,974,901	1,958,361
Income from contracts		69,676	181,208	250,884	-	250,884	222,419
For research	23	67,031	178,540	245,571	-	245,571	195,996
For other activities	24	2,645	2,668	5,313	-	5,313	26,423
Sales of goods and services	24	29,730	115,399	145,129	4,238	149,367	158,074
Private gifts and grants	24	90,166	67,250	157,416	-	157,416	173,261
Sub-total		**4,526,451**	**373,291**	**4,899,742**	**205,617**	**5,105,359**	**4,960,056**
Income from investments	31	127,906	116,636	244,542	523	245,065	268,861
FV movements	32	139,238	46,420	185,658	-	185,658	214,568
Share of profit/(loss) in Associate		-	-	-	-	-	-
Finance income	29	34,605	1,350	35,955	3,315	39,270	36,055
Non-recurring items							
Profit/(loss) on disposal of PPE	24	39	-	39	-	39	495

University of Johannesburg

Consolidated and Separate Financial Statements for the year ended 31 December 2020

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 2020	Total 2019
Total expenditure		**4,305,966**	**324,137**	**4,630,104**	**177,442**	**4,807,545**	**4,771,101**
Recurring items		**4,280,792**	**322,034**	**4,602,827**	**177,136**	**4,779,963**	**4,746,018**
Personnel	25	2,763,725	108,882	2,872,607	28,663	2,901,270	2,789,945
Academic professional		1,479,145	58,274	1,537,419	15,340	1,552,759	1,493,178
Other personnel		1,284,580	50,608	1,335,188	13,323	1,348,511	1,296,767
Other current operating expenses	27	1,042,605	82,852	1,125,457	141,864	1,267,321	1,363,230
Depreciation	6	64,570	11,596	76,166	6,471	82,637	104,725
Amortisation of software	7	1,387	13	1,400	138	1,538	3,559
Bursaries awarded	26	381,672	113,559	495,231	-	495,231	479,423
Sub-total		**4,253,959**	**316,903**	**4,570,862**	**177,136**	**4,747,998**	**4,740,882**
Finance costs	30	23,707	119	23,826	-	23,826	4,986
Impairment (gains)/losses	28	3,127	5,012	8,139	-	8,139	150
Non-recurring items							
Capital expenditure expensed	27	25,174	2,103	27,277	306	27,583	25,083
Profit/(Loss) for the year		**522,273**	**213,559**	**735,832**	**32,013**	**767,846**	**708,934**
Other comprehensive income							
Actuarial gains and losses on defined benefit plans	20	472,304	-	472,304	-	472,304	38,318
Total comprehensive income for the year		**994,577**	**213,559**	**1,208,136**	**32,013**	**1,240,150**	**747,252**

University of Johannesburg

Consolidated and Separate Financial Statements for the year ended 31 December 2020

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 2020	Total 2019
University							
Total income		**4,939,141**	**367,555**	**5,306,695**	**209,455**	**5,516,150**	**5,358,148**
Recurring items		**4,939,102**	**367,555**	**5,306,657**	**209,455**	**5,516,112**	**5,357,653**
State appropriations – subsidies and grants	21	2,572,792	-	2,572,792	-	2,572,792	2,447,941
Tuition and other fee income	22	1,764,087	357	1,764,444	201,379	1,965,824	1,948,794
Income from contracts		69,677	181,208	250,885	-	250,885	222,982
For research	23	67,031	178,540	245,571	-	245,571	196,559
For other activities	24	2,646	2,668	5,314	-	5,314	26,423
Sales of goods and services	24	51,974	73,151	125,125	4,238	129,363	124,516
Private gifts and grants	24	178,823	26,592	205,415	-	205,415	188,261
Sub-total		**4,637,353**	**281,308**	**4,918,661**	**205,617**	**5,124,278**	**4,932,494**
Income from investments	31	127,906	86,094	214,000	523	214,523	234,870
FV movements	32	139,238	-	139,238	-	139,238	156,075
Share of profit/(loss) in Associate		-	-	-	-	-	-
Finance income	29	34,605	153	34,758	3,315	38,073	34,214
Non-recurring items							
Profit/(loss) on disposal of PPE	24	39	-	39	-	39	495

University of Johannesburg

Consolidated and Separate Financial Statements for the year ended 31 December 2020

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 2020	Total 2019
Total expenditure		**4,428,043**	**204,146**	**4,632,189**	**159,493**	**4,791,681**	**4,740,058**
Recurring items		**4,402,869**	**202,253**	**4,605,122**	**159,187**	**4,764,309**	**4,715,137**
Personnel	25	2,763,724	77,390	2,841,114	28,663	2,869,777	2,753,685
Academic professional		1,479,145	41,419	1,520,564	15,340	1,535,905	1,473,772
Other personnel		1,284,579	35,971	1,320,550	13,323	1,333,872	1,279,913
Other current operating expenses	27	1,150,967	2,539	1,153,506	124,870	1,278,376	1,359,242
Depreciation	6	77,031	8,755	85,786	5,535	91,321	114,070
Amortisation of software	7	1,405	10	1,415	119	1,534	3,529
Bursaries awarded	26	381,672	113,559	495,231	-	495,231	479,423
Sub-total		**4,374,799**	**202,253**	**4,577,051**	**159,187**	**4,736,239**	**4,709,949**
Finance costs	30	24,943	-	24,943	-	24,943	5,038
Impairment (gains)/losses	28	3,127	-	3,127	-	3,127	150
Non-recurring items							
Capital expenditure expensed	27	25,174	1,893	27,067	306	27,372	24,921
Profit/(Loss) for the year		**511,098**	**163,409**	**674,507**	**49,962**	**724,469**	**618,090**
Other comprehensive income							
Actuarial gains and losses on defined benefit plans	20	472,304	-	472,304	-	472,304	38,318
Total comprehensive income for the year		**983,402**	**163,409**	**1,146,811**	**49,962**	**1,196,773**	**656,408**

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