

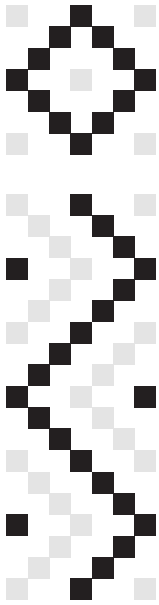
# Consolidated and Separate Annual Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2022

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# Statement of Responsibility of the Members of Council

## FOR THE YEAR ENDED 31 DECEMBER 2022

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 444 to 533 of this Annual Report for 2022 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 444 to 533 of this Annual Report were approved by the Council on 14 June 2023 and signed on its behalf by:

**Lethlokwa Mpedi (Prof)**  
Vice-Chancellor and Principal

**Xoliswa Kakana (Ms)**  
Chairperson of Council

**N Mamorare**  
Chief Financial Officer







**SNG Grant  
Thornton**

20 Morris Street East,  
Woodmead,  
2191,  
P.O. Box 2939,  
Saxonworld,  
2132

# To the Minister of Higher Education, Science and Innovation 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 444 to 529 which comprise the consolidated and separate statement of financial position as at 31 December 2022, 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 financial position of the group as at 31 December 2022 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 the International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the consolidated and separate financial statements section of our report.

We are independent of the group in accordance with 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

Victor Sekese [Chief Executive]

A comprehensive list of all  
Directors is available at the  
company offices or registered  
office

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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 Consolidated and the 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 consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

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 relating to going concern and using the going concern basis of accounting unless the accounting authority either intends to liquidate the group or to cease operations, or has no realistic alternative but to do so.

## **Auditor's responsibilities for the audit of the consolidated 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 the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and 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 this auditor's report.

## **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 objectives presented in the university's annual performance report for the year ended 31 December 2022:

Objectives	Pages in the annual performance report
Strategic Objective Two – Excellence in Teaching and Learning	77 – 79

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 72 to 74 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 material non compliance with specific matters in key legislation, as set out in the general notice issued in terms of the PAA.

### Other information

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

Our opinion on the financial statements and my 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.

In connection with our audit, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate 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.

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

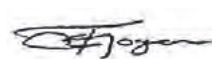
### Agreed-upon procedure engagements

Engagement name	Period End	Firm performing the engagement	Status	Expected date of issuing report
Financial data-DHET	31-Dec-22	SNG- GT	Completed	The report has been issued.
University of Johannesburg Annual Performance Plan	31-Dec-22	SNG -GT	Completed	The report has been issued.
BRITISH COUNCIL GRANT (USDP)	31-Dec-22	PwC	Completed	The report has been issued.
RESEARCH& COLLABORATION	31-Dec-22	PwC	Completed	The report has been issued.
UCDP-Future professors Programme	31-Dec-22	PwC	Completed	The report has been issued.
UCDP-NESP programme	31-Dec-22	PwC	Completed	The report has been issued.
UCDP-NESP programme	31-Mar-23	PwC	In progress	30-June-23
University of Capacity Development	31-Dec-22	PwC	Completed	The report has been issued.
South African Medical Research	31-Dec-22	PwC	Completed	The report has been issued.
DHET-IEG INFRASTRUCTURE	31-Dec-22	PwC	Completed	The report has been issued.
NRF Grant Deposit	31-Dec-22	PwC	Completed	The report has been issued.
NRF -SKA	31-Dec-22	PwC	Completed	The report has been issued.
NRF - CIMERA	31-Dec-22	PwC	Completed	The report has been issued.
NRF (Main Project)	31-Dec-22	PwC	Completed	The report has been issued.
Raymond Ackerman Academy Capital	31-Dec-22	PwC	Completed	The report has been issued.

Industrial Think Tank Programme	31-Mar-23	PwC	Completed	The report has been issued.
Research Publications	31-Dec-22	PwC	Completed	The report has been issued.
New Generations of Academics	31-Mar-23	PwC	Completed	The report has been issued.
Foundation Grant	31-Mar-23	PwC	Completed	The report has been issued.
University Integrated	31-Mar-23	PwC	Completed	The report has been issued.
Teaching Development	31-Mar-23	PwC	Completed	The report has been issued.
Health Science Clinical Grant	31-Mar-23	PwC	Completed	The report has been issued.
Technology Innovation Agency (TIA)	31-Mar-23	PwC	Completed	The report has been issued.
Hemis Audit	31-Dec-22	PwC	Completed	20-Jul-23
Health Science Clinical Enrollment	31-May-23	PwC	Completed	26-Jul-23
Health Science Clinical Enrollment	31-Dec-22	PwC	Completed	26-Jul-23
Confucius Institute	31-Dec-22	PwC	Completed	26-Jul-23
Oxfam South Africa	31-Mar-23	PwC	Completed	26-Jul-23

## Audit tenure

In terms of the IRBA rule published in Government gazette number 39475 dated 4 December 2015, we report that SNG Grant Thornton has been the auditor of the University of Johannesburg for three years.



Thabo E Mogano

Director

Registered Auditor

22 June 2023

20 Morris Stress East, Woodmead

## Annexure – Auditor’s responsibility for the audit

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

### Financial statements

In addition to our responsibility for the audit of the consolidated and separate financial statements as described in this 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’s internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council, which constitutes the accounting authority
- conclude on the appropriateness of the accounting authority’s use of the going concern basis of accounting in the preparation of the financial statements. We also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the University of Johannesburg and its subsidiaries to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify our opinion on the financial statements. Our conclusions are based on the information available to us at the date of this auditor’s report. However, future events or conditions may cause the University of Johannesburg and its Subsidiaries to cease operating as a going concern
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

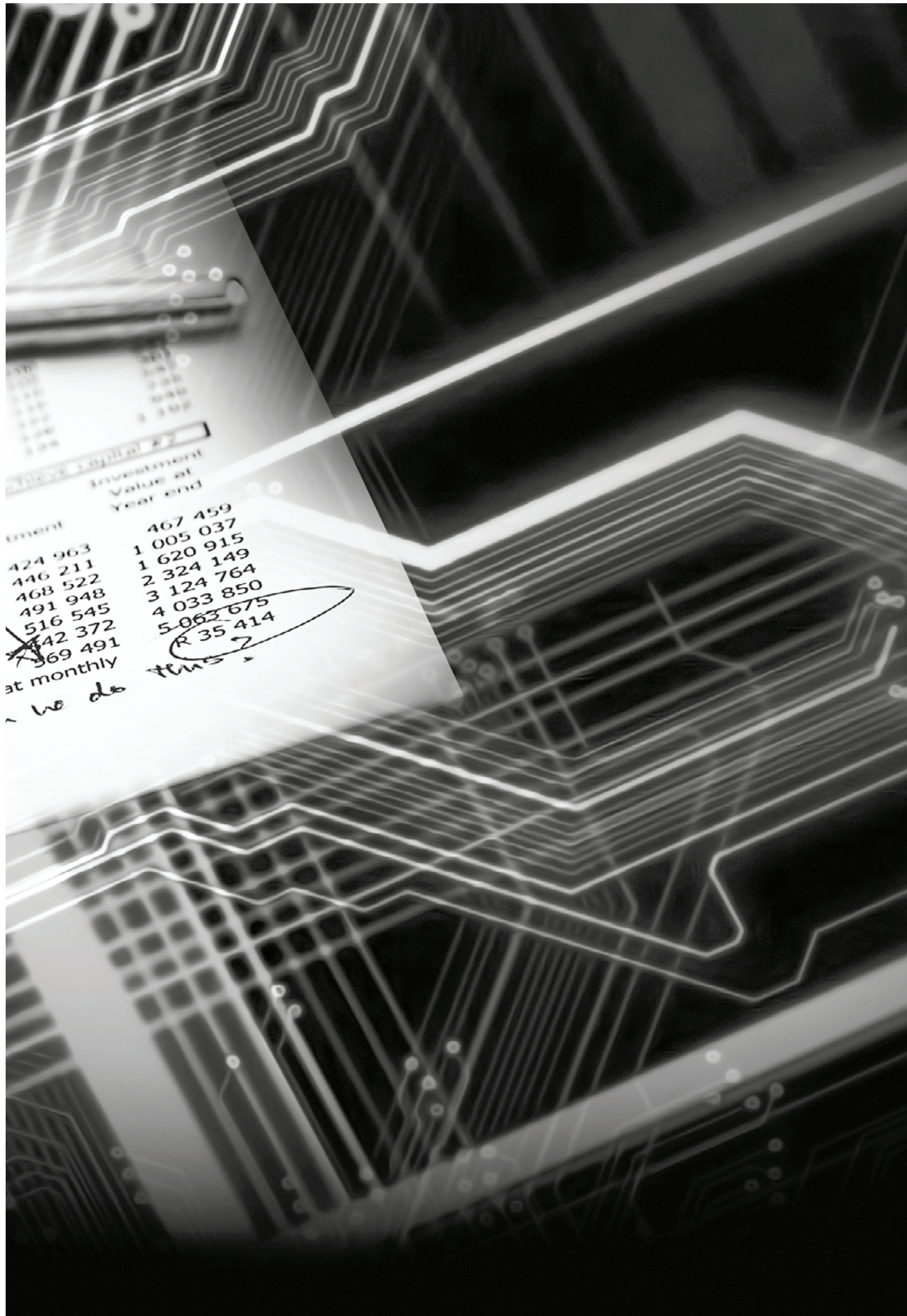
## Communication with those charged with governance

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

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

From the matters communicated to those charged with governance, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore key audit matters. We describe these matters in this auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in this auditor's report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest of such communication.





Investment  
Value at  
Year end

Investment	467 459
424 963	1 005 037
446 211	1 620 915
468 522	2 324 149
491 948	3 124 764
516 545	4 033 850
442 372	5 063 675
369 491	R 35 414

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# University of Johannesburg

Consolidated and Separate Financial Statements for the year ended 31 December 2022

## Statements of Financial Position

Figures in R `000	Notes	Consolidated 2022	Consolidated 2021	University 2022	University 2021
<b>Assets</b>					
<b>Non-current assets</b>					
Property, plant and equipment	6	3,107,172	2,975,250	2,923,458	2,800,919
Intangible assets	7	15,104	13,075	15,104	13,072
Investment in subsidiaries, associates and other investments	8	-	-	209,971	205,421
Financial assets at fair value through profit or loss	11	5,436,593	4,956,992	4,351,025	3,867,076
Post-employee benefits asset	19	752,828	816,654	752,828	816,654
<b>Total non-current assets</b>		<b>9,311,697</b>	<b>8,761,971</b>	<b>8,252,386</b>	<b>7,703,142</b>
<b>Current assets</b>					
Inventories	9	15,562	17,037	15,360	16,967
Trade and other receivables	10	454,416	301,430	406,541	256,332
- Student fees		306,023	157,613	303,331	157,368
- Other receivables		148,393	143,817	103,210	98,964
Loans to subsidiaries and associates	8	-	-	7,598	12,961
Cash and cash equivalents	12	2,560,464	2,804,532	2,531,232	2,778,111
<b>Total current assets</b>		<b>3,030,442</b>	<b>3,122,999</b>	<b>2,960,731</b>	<b>3,064,371</b>
<b>Total assets</b>		<b>12,342,139</b>	<b>11,884,970</b>	<b>11,213,117</b>	<b>10,767,513</b>
<b>Equity and liabilities</b>					
<b>Equity</b>					
<b>Non-distributable reserves</b>		<b>3,122,276</b>	<b>2,988,059</b>	<b>2,938,562</b>	<b>2,813,726</b>
Funds invested in property, plant and equipment		3,122,276	2,988,059	2,938,562	2,813,726
<b>Reserve funds</b>		<b>6,324,566</b>	<b>6,254,032</b>	<b>5,387,262</b>	<b>5,332,660</b>
<i>Restricted use funds</i>		<i>1,804,485</i>	<i>1,744,461</i>	<i>874,308</i>	<i>873,432</i>
Student residences funds		60,478	73,557	60,478	94,839
Trust/donor/bursary funds		1,744,007	1,670,904	813,830	778,593
<i>Unrestricted use funds</i>		<i>4,520,081</i>	<i>4,509,571</i>	<i>4,512,954</i>	<i>4,459,228</i>
Designated/committed funds		1,721,561	1,772,093	1,721,561	1,750,813
Undesignated funds		2,798,520	2,737,478	2,791,393	2,708,415
<b>Total equity</b>		<b>9,446,842</b>	<b>9,242,091</b>	<b>8,325,824</b>	<b>8,146,386</b>

# University of Johannesburg

Consolidated and Separate Financial Statements for the year ended 31 December 2022

## Statements of Financial Position

Figures in R `000	Notes	Consolidated 2022	Consolidated 2021	University 2022	University 2021
<b>Liabilities</b>					
<b>Non-current liabilities</b>					
Provisions	13	26,123	36,539	26,123	36,539
Lease liabilities	15	941	2,865	941	2,865
Deferred income	18	157,692	78,798	157,692	78,798
Post-employee benefits obligation	19	259,204	275,414	259,204	275,414
<b>Total non-current liabilities</b>		<b>443,960</b>	<b>393,616</b>	<b>443,960</b>	<b>393,616</b>
<b>Current liabilities</b>					
Provisions	13	61,937	77,065	61,937	66,249
Trade and other payables	14	2,116,518	1,706,186	2,112,902	1,701,708
Student deposits and accounts in credit	16	239,511	276,814	235,123	259,331
Borrowings	17	-	263	-	263
Lease liabilities	15	1,785	3,062	1,785	14,087
Deferred income	18	31,586	185,873	31,586	185,873
<b>Total current liabilities</b>		<b>2,451,337</b>	<b>2,249,263</b>	<b>2,443,333</b>	<b>2,227,511</b>
<b>Total liabilities</b>		<b>2,895,297</b>	<b>2,642,879</b>	<b>2,887,293</b>	<b>2,621,127</b>
<b>Total equity and liabilities</b>		<b>12,342,139</b>	<b>11,884,970</b>	<b>11,213,117</b>	<b>10,767,513</b>

# University of Johannesburg

Consolidated and Separate Financial Statements for the year ended 31 December 2022

## Statements of Profit or Loss and Other Comprehensive Income

Figures in R `000	Notes	Consolidated 2022	Consolidated 2021	University 2022	University 2021
<b>Revenue</b>		<b>5,238,845</b>	<b>5,193,929</b>	<b>5,219,452</b>	<b>5,182,131</b>
State appropriations - subsidies and grants	20	2,633,372	2,700,186	2,633,372	2,700,186
Tuition and other fee income	21	2,290,227	2,172,675	2,270,124	2,160,624
Research income	22	315,246	321,068	315,956	321,321
Other operating income	23	349,727	359,260	281,514	316,253
<b>Operating income</b>		<b>5,588,572</b>	<b>5,553,189</b>	<b>5,500,966</b>	<b>5,498,384</b>
Personnel costs	24	(3,466,437)	(3,215,691)	(3,415,550)	(3,162,496)
Depreciation	6	(101,889)	(86,116)	(110,249)	(94,471)
Amortisation	7	(1,990)	(1,611)	(1,986)	(1,607)
Bursaries awarded	25	(407,331)	(459,814)	(407,331)	(459,814)
Impairment of student and other debt	10	(150,293)	(334,600)	(149,268)	(333,921)
Other expenses	26	(1,507,311)	(1,137,657)	(1,470,927)	(1,172,478)
<b>Operating profit before interest and fair value movements</b>		<b>(46,679)</b>	<b>317,700</b>	<b>(54,345)</b>	<b>273,597</b>
Impairment (losses) gains	27	-	(9,378)	-	13,072
Finance income	28	90,066	70,411	88,539	69,440
Finance costs	29	(811)	(607)	(2,485)	(1,832)
Income from investments	30	433,084	314,401	384,540	273,851
Investments fair value (losses) gains	31	(150,675)	646,638	(116,577)	492,954
<b>Profit for the year</b>		<b>324,985</b>	<b>1,339,165</b>	<b>299,672</b>	<b>1,121,082</b>
<b>Other comprehensive income</b>					
<i>Items that will not be subsequently reclassified to profit or loss</i>					
Actuarial (losses) gains on defined benefit plans	19	(120,234)	141,041	(120,234)	141,041
<b>Total comprehensive income</b>		<b>204,751</b>	<b>1,480,206</b>	<b>179,438</b>	<b>1,262,123</b>
<b>Profit for the year attributable to:</b>					
- University		324,985	1,339,165	299,672	1,121,082
		<b>324,985</b>	<b>1,339,165</b>	<b>299,672</b>	<b>1,121,082</b>
<b>Comprehensive income attributable to:</b>					
- University		204,751	1,480,206	179,438	1,262,123
		<b>204,751</b>	<b>1,480,206</b>	<b>179,438</b>	<b>1,262,123</b>

## University of Johannesburg

Consolidated and Separate Financial Statements for the year ended 31 December 2022

### 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
<b>Consolidated</b>								
<b>Balance as at 01 January 2022</b>	2,737,478	1,772,093	4,509,571	1,670,904	73,557	1,744,461	2,988,059	9,242,091
Profit for the year	372,079	(156,430)	215,649	66,545	42,791	109,336	-	324,985
Actuarial (losses) on defined benefit plans	(120,234)	-	(120,234)	-	-	-	-	(120,234)
<b>Total comprehensive income</b>	<b>251,845</b>	<b>(156,430)</b>	<b>95,415</b>	<b>66,545</b>	<b>42,791</b>	<b>109,336</b>	<b>-</b>	<b>204,751</b>
Movement in funds	(190,803)	105,898	(84,905)	6,558	(55,870)	(49,312)	134,217	-
<b>Balance as at 31 December 2022</b>	<b>2,798,520</b>	<b>1,721,561</b>	<b>4,520,081</b>	<b>1,744,007</b>	<b>60,478</b>	<b>1,804,485</b>	<b>3,122,276</b>	<b>9,446,842</b>
<b>Balance as at 01 January 2021</b>	2,330,755	1,270,899	3,601,654	1,299,054	165,344	1,464,398	2,695,833	7,761,885
Profit for the year	209,493	717,931	927,424	356,213	55,528	411,741	-	1,339,165
Actuarial gains on defined benefit plans	141,041	-	141,041	-	-	-	-	141,041
<b>Total comprehensive income</b>	<b>350,534</b>	<b>717,931</b>	<b>1,068,465</b>	<b>356,213</b>	<b>55,528</b>	<b>411,741</b>	<b>-</b>	<b>1,480,206</b>
Movement in funds	56,189	(216,737)	(160,548)	15,637	(147,315)	(131,678)	292,226	-
<b>Balance as at 31 December 2021</b>	<b>2,737,478</b>	<b>1,772,093</b>	<b>4,509,571</b>	<b>1,670,904</b>	<b>73,557</b>	<b>1,744,461</b>	<b>2,988,059</b>	<b>9,242,091</b>

## University of Johannesburg

University of Johannesburg

### 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
<b>University</b>								
<b>Balance as at 01 January 2022</b>	2,708,415	1,750,813	4,459,228	778,593	94,839	873,432	2,813,726	8,146,386
Profit for the year	371,786	(156,432)	215,354	41,527	42,791	84,318	-	299,672
Actuarial (losses) on defined benefit plans	(120,234)	-	(120,234)	-	-	-	-	(120,234)
<b>Total comprehensive income</b>	<b>251,552</b>	<b>(156,432)</b>	<b>95,120</b>	<b>41,527</b>	<b>42,791</b>	<b>84,318</b>	-	<b>179,438</b>
Movement in funds	(168,574)	127,180	(41,394)	(6,290)	(77,152)	(83,442)	124,836	-
<b>Balance as at 31 December 2022</b>	<b>2,791,393</b>	<b>1,721,561</b>	<b>4,512,954</b>	<b>813,830</b>	<b>60,478</b>	<b>874,308</b>	<b>2,938,562</b>	<b>8,325,824</b>
<b>University</b>								
<b>Balance as at 01 January 2021</b>	2,342,280	1,270,899	3,613,179	573,593	165,344	738,937	2,532,147	6,884,263
Profit for the year	185,811	696,649	882,460	161,812	76,810	238,622	-	1,121,082
Actuarial gains on defined benefit plans	141,041	-	141,041	-	-	-	-	141,041
<b>Total comprehensive income</b>	<b>326,852</b>	<b>696,649</b>	<b>1,023,501</b>	<b>161,812</b>	<b>76,810</b>	<b>238,622</b>	-	<b>1,262,123</b>
Movement in funds	39,283	(216,735)	(177,452)	43,188	(147,315)	(104,127)	281,579	-
<b>Balance as at 31 December 2021</b>	<b>2,708,415</b>	<b>1,750,813</b>	<b>4,459,228</b>	<b>778,593</b>	<b>94,839</b>	<b>873,432</b>	<b>2,813,726</b>	<b>8,146,386</b>

Notes:

1. "Unrestricted Use" funds available as referred to in note 3.
2. "Restricted Use" funds available as referred to in note 3.
3. "Funds invested in Property, Plant and Equipment" are Non-Distributable Reserves.
4. "Movement 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 2022

## Statements of Cash Flows

Figures in R `000	Notes	Consolidated 2022	Consolidated 2021	University 2022	University 2021
<b>Cash flows from operating activities</b>					
Cash (utilised) / generated (in) from operating activities	34	(468,909)	1,520,399	(412,292)	1,543,289
Interest paid	29	(84)	(115)	(84)	(115)
Interest received	28	32,581	30,838	31,054	29,867
<b>Net cash flows (used in) / from operating activities</b>		<b>(436,412)</b>	<b>1,551,122</b>	<b>(381,322)</b>	<b>1,573,041</b>
<b>Cash flows from investing activities</b>					
Purchase of investments in related parties	8	-	-	(4,550)	-
Payment of loans from / (to) related parties	8	-	(7,082)	5,363	12,917
Interest received	30	300,568	238,518	280,125	221,779
Dividends received	30	132,516	75,883	104,415	52,072
Proceeds from sales of property, plant and equipment		693	3,041	693	3,093
Purchase of property, plant and equipment	6	(234,213)	(201,178)	(233,359)	(198,881)
Purchases of intangible assets	7	(4,019)	(517)	(4,018)	(517)
Proceeds from sale of intangible assets	7	-	3,390	-	3,390
<b>Cash flows from investing activities</b>		<b>195,545</b>	<b>112,055</b>	<b>148,669</b>	<b>93,853</b>
<b>Cash flows used in financing activities</b>					
Repayment of lease liability	15	(2,467)	(2,683)	(11,818)	(12,932)
Repayment of finance cost on lease liability	15	(734)	(492)	(2,408)	(1,717)
<b>Cash flows used in financing activities</b>		<b>(3,201)</b>	<b>(3,175)</b>	<b>(14,226)</b>	<b>(14,649)</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>		<b>(244,068)</b>	<b>1,660,002</b>	<b>(246,879)</b>	<b>1,652,245</b>
Cash and cash equivalents at beginning of the year		2,804,532	1,144,530	2,778,111	1,125,866
<b>Cash and cash equivalents at end of the year</b>	<b>12</b>	<b>2,560,464</b>	<b>2,804,532</b>	<b>2,531,232</b>	<b>2,778,111</b>

# University of Johannesburg

Consolidated and Separate Financial Statements for the year ended 31 December 2022

## Accounting Policies

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### 1. General information

The consolidated and separate financial statements were authorised for issue by the Council on 14 June 2023.

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 address of its registered office is Cnr University and Kingsway Road, 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.

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.

# University of Johannesburg

Consolidated and Separate Financial Statements for the year ended 31 December 2022

## Accounting Policies

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

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.

## **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.

# University of Johannesburg

Consolidated and Separate Financial Statements for the year ended 31 December 2022

## Accounting Policies

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

#### **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**

### **Recognition**

Property, plant and equipment is recognised as an asset when:

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

### **Initial measurement**

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.

### **Subsequent measurement - Cost model**

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.

# University of Johannesburg

Consolidated and Separate Financial Statements for the year ended 31 December 2022

## Accounting Policies

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

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

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

Category	Years
Buildings	80 years
Building Lifts	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	17 years
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.

# University of Johannesburg

Consolidated and Separate Financial Statements for the year ended 31 December 2022

## Accounting Policies

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

### 2.4 Intangible assets

#### Recognition

An intangible asset is recognised when:

- it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and
- the cost of the asset can be measured reliably.

An assessment of the probability of expected future economic benefits that will flow to the entity as a result of the use of an asset is made by management before the asset is recognised. This includes using reasonable and supportive assumptions that represent a best estimate of the set of economic conditions that will exist over the useful life of the asset.

#### 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.

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.

# University of Johannesburg

Consolidated and Separate Financial Statements for the year ended 31 December 2022

## Accounting Policies

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

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:

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**

### **Classification**

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 and their contractual cash flows. Management determines the classification of its financial assets at initial recognition.

#### **a) 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 principal and interest. These 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.

# University of Johannesburg

Consolidated and Separate Financial Statements for the year ended 31 December 2022

## Accounting Policies

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

#### b) 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.

These 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.

### **Recognition and measurement**

#### a) Fair value financial assets through profit and loss

Fair value financial assets measured through profit and loss are recognised on the trade date, which is the date that the University commits to purchase or sell the asset. Fair value financial assets measured through profit and loss are initially recognised at fair value. Fair value financial assets measured through profit and loss are subsequently carried at fair value through profit or loss. Changes in the fair value of financial assets measured 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.

The fair value of investments is based on quoted closing prices and other appropriate valuation methodologies 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.

#### b) Trade and other receivables

Financial assets measured at amortized cost are financial assets held within a business model aimed at holding the asset in order to collect contractual cash flows. Timing of these cash flows is determined in the contract and comprise solely payments of principle and interest. Assets measured at amortized cost are initially recognized at fair value plus any directly attributable transaction costs. For trade receivables, the transaction price is deemed to be equal to the fair value. Subsequently, these assets are carried at amortized cost using the effective interest method.

### **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.

# University of Johannesburg

Consolidated and Separate Financial Statements for the year ended 31 December 2022

## Accounting Policies

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

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 University 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 University neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the University 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.

## **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 University 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. Trade payable are classified as current liabilities if payment is due within 12 months. 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.

# University of Johannesburg

Consolidated and Separate Financial Statements for the year ended 31 December 2022

## Accounting Policies

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

### 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 initially measured at cost. Cost include:

- costs of purchase (including taxes, transport, and handling) net of trade discounts received and
- other costs incurred in bringing the inventories to their present location and condition

Inventories are subsequently 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 Taxation

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.

#### Current tax assets and liabilities

Current tax for the current and prior periods is, to the extent unpaid, is 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.

# University of Johannesburg

Consolidated and Separate Financial Statements for the year ended 31 December 2022

## Accounting Policies

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

#### **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.

Liabilities arising from a lease are initially measured on a net 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.

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 initially 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 subsequently measured at cost less accumulated depreciation and any accumulated impairment losses.

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.

Right-of-use assets impairment loss occurs when the cash flows expected to be generated from an asset over its useful life can no longer support the carrying value of that asset. When this occurs, the carrying value of the asset is reduced to its recoverable amount.

# University of Johannesburg

Consolidated and Separate Financial Statements for the year ended 31 December 2022

## Accounting Policies

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

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 no expectation of renewal. Low-value assets comprise IT equipment and small items of office furniture, which has an individual asset cost below R10 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.

To determine whether to recognise revenue, the University 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.

Fees are based on the fee book, standard tuition and residence fee, which is approved by "council". There are no significant judgements applied in the determination of revenue.

# University of Johannesburg

Consolidated and Separate Financial Statements for the year ended 31 December 2022

## Accounting Policies

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

#### **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*

Research income received from Government is recognised in terms of IAS 20. Revenue is recognised as income in the financial period in which the University has reasonable assurance it will comply with any conditions attached to the grant.

##### *b) Research income in the scope of IFRS 15*

Research income not received from Government, is recognised within the scope of IFRS 15, 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 funds from relevant contracts. 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 operating income**

Other operating income includes public sales and services, project income, consultation income, hire of facilities, sundry income and other income. Other operating income are recognised in the period in which they accrue.

#### **2.15 Income from investments**

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.

# University of Johannesburg

Consolidated and Separate Financial Statements for the year ended 31 December 2022

## Accounting Policies

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

#### **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.

Income received for designated purposes represent 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 equity to Restricted Funds (separately from unrestricted funds / council controlled funds). When expenditure are incurred in following years, a transfer from these Restricted use Funds is made to unrestricted funds / council controlled funds. Refer note 3 Fund allocation for further details.

#### **2.17 Loans to subsidiaries and associates**

Loans to subsidiaries and associates are recognised initially at fair value, net of transaction costs incurred. Loans to subsidiaries and associates are subsequently stated at amortised cost.

Loans to subsidiaries and associates do not have any contractual repayment terms and do not incur interest and are deemed to be payable on demand.

The University applies the IFRS 9 simplified approach to measuring expected credit losses, which uses a lifetime expected loss for all loans to subsidiaries and associates.

#### **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.

# University of Johannesburg

Consolidated and Separate Financial Statements for the year ended 31 December 2022

## Accounting Policies

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### *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 has a defined contribution plan portion;
- The University of Johannesburg Pension Fund, which has a defined benefit plan portion; 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, taking into account a discount rate, inflation rate, salary increase rate and pension increase allowance rate. 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.

Ownership of surplus in the University's pension fund is addressed by way of the Pension Funds Second Amendment Act. In terms of Paragraph 65 of IAS19, the asset recognised in the University's statement of financial position is the maximum of the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan. In terms of the rules of the fund, all surplus is credited to the Employer Surplus Account.

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 profit or loss, 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.

# University of Johannesburg

Consolidated and Separate Financial Statements for the year ended 31 December 2022

## Accounting Policies

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

#### **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-Rand Afrikaans University (RAU).

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

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

#### **Long service awards**

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

### **2.20 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 carried as a liability in the statement of financial position until the University has complied with all the conditions attached to the purchase or construction of the asset. The grant is then deducted from the carrying amount of the asset. The grant is recognised in profit or loss over the life of a depreciable asset as a reduced depreciation expense.

### **2.21 Borrowings**

Borrowings are recognised initially at fair value, minus 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.

# University of Johannesburg

Consolidated and Separate Financial Statements for the year ended 31 December 2022

## Accounting Policies

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

### 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:

- Available funds, restricted use
  - 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 - restricted use
- 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:

# University of Johannesburg

Consolidated and Separate Financial Statements for the year ended 31 December 2022

## Accounting Policies

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### ***Fund allocation continued...***

- 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
- 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 2022 are disclosed in note 19.1. 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 19.2.

# University of Johannesburg

Consolidated and Separate Financial Statements for the year ended 31 December 2022

## Accounting Policies

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### *Critical accounting estimates and judgements continued...*

#### **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.

#### **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 (ECL). 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').
- financial instruments that are outstanding for greater than 90 days and are credit-impaired ('Stage 3').

ECL '12-month expected credit losses' are recognised for Stage 1 while 'lifetime expected credit losses' are recognised for Stage 2 and Stage 3.

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

# University of Johannesburg

Consolidated and Separate Financial Statements for the year ended 31 December 2022

## Accounting Policies

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### 5. Changes in accounting policies and disclosures

#### Standards and Interpretations effective and adopted in the current year

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

Not material

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

Not material

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

Not material

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

Not material

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

Not material

# University of Johannesburg

Consolidated and Separate Financial Statements for the year ended 31 December 2022

## Accounting Policies

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### *Changes in accounting policies and disclosures continued...*

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 10 Consolidated Financial Statements - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28): Narrow scope amendment address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28 (2011), in dealing with the sale or contribution of assets between an investor and its associate or joint venture.	The effective date of this amendment has been deferred indefinitely until further notice	Management has performed a high level impact assessment and are not expecting any material changes
IFRS 16 Leases - Lease Liability in a Sale and Leaseback: The narrow-scope amendment requires a seller-lessee in a sale and leaseback transaction to determine 'lease payments' or 'revised lease payments' in a way that the seller-lessee would not recognise any amount of a gain or loss relating to the right of use retained by the seller-lessee. The new requirement does not prevent the seller-lessee from recognising in profit or loss any gain or loss relating to the partial or full termination of a lease.	01 January 2024	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

# University of Johannesburg

Consolidated and Separate Financial Statements for the year ended 31 December 2022

## Accounting Policies

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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.

Disclosure of Accounting Policies: The amendments require companies to disclose their material accounting policy information rather than their significant accounting policies, with additional guidance added to the Standard to explain how an entity can identify material accounting policy information with examples of when accounting policy information is likely to be material.

01 January 2023

Management has performed a high level impact assessment and are not expecting any material changes

IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates: The amendments clarify how companies should distinguish changes in accounting policies from changes in accounting estimates, by replacing the definition of a change in accounting estimates with a new definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". The requirements for recognising the effect of change in accounting prospectively remain unchanged.

01 January 2023

Management has performed a high level impact assessment and are not expecting any material changes

IAS 12 Income Taxes - Deferred Tax related to Assets and Liabilities arising from a Single Transaction: The amendment clarifies how a company accounts for income tax, including deferred tax, which represents tax payable or recoverable in the future. In specified circumstances, companies are exempt from recognising deferred tax when they recognise assets or liabilities for the first time. The aim of the amendments is to reduce diversity in the reporting of deferred tax on leases and decommissioning obligations, by clarifying when the exemption from recognising deferred tax would apply to the initial recognition of such items.

01 January 2023

Management has performed a high level impact assessment and are not expecting any material changes

IAS 28 Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28): Narrow scope amendment to address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28 (2011), in dealing with the sale or contribution of assets between an investor and its associate or joint venture.

The effective date of this amendment has been deferred indefinitely until further notice

Management has performed a high level impact assessment and are not expecting any material changes

# University of Johannesburg

Consolidated and Separate Financial Statements for the year ended 31 December 2022

## Accounting Policies

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IAS 1 Presentation of Financial Statements - The amendments in Non-current Liabilities with Covenants (Amendments to IAS 1): Modify the requirements introduced by Classification of Liabilities as Current or Non-current on how an entity classifies debt and other financial liabilities as current or non-current in particular circumstances: Only covenants with which an entity is required to comply on or before the reporting date affect the classification of a liability as current or non-current. In addition, an entity has to disclose information in the notes that enables users of financial statements to understand the risk that non-current liabilities with covenants could become repayable within twelve months. Defer the effective date of the 2020 amendments to 1 January 2024.

Three proposals the IASB included in its November 2021 exposure draft were not finalised: the requirement that an entity has to present non-current liabilities with covenants separately in the statement of financial position; the requirement that an entity has to disclose whether and, if so, how it expected to comply with covenants after the reporting date; and the clarifications of some situations in which an entity would not have a right to defer settlement of a liability.

01 January 2024

Management has performed a high level impact assessment and are not expecting any material changes

## University of Johannesburg

Consolidated and Separate Financial Statements for the year ended 31 December 2022

### 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
<b>Reconciliation for the year ended 31 December 2022 – Consolidated</b>													
<b>Balance at 1 January 2022</b>													
At cost	2,485,031	59,022	4,605	69,084	50,557	9,073	966,631	194,126	29,202	15,238	53,385	187,800	4,123,754
Accumulated depreciation	(412,002)	(15,336)	(3,356)	(50,211)	(30,401)	(4,085)	(431,865)	(47,382)	(13,810)	(6,154)	(25,594)	(108,308)	(1,148,504)
<b>Net book value</b>	<b>2,073,029</b>	<b>43,686</b>	<b>1,249</b>	<b>18,873</b>	<b>20,156</b>	<b>4,988</b>	<b>534,766</b>	<b>146,744</b>	<b>15,392</b>	<b>9,084</b>	<b>27,791</b>	<b>79,492</b>	<b>2,975,250</b>
<b>Movements for the year ended 31 December 2022</b>													
Additions from acquisitions	64,004	1,782	-	2,891	4,310	(169)	95,292	26,432	2,308	-	3,524	33,840	234,213
Depreciation	(28,132)	(927)	(1,125)	(1,536)	(1,773)	(1,699)	(38,148)	(16,126)	(863)	(725)	(1,940)	(8,895)	(101,889)
Disposals at cost	-	-	-	-	-	-	-	(679)	-	-	-	(2,770)	(3,449)
Depreciation on disposals	-	-	-	-	-	-	-	641	-	-	-	2,405	3,046
<b>Closing balance at 31 December 2022</b>													
At cost	2,549,035	60,805	4,605	71,977	54,547	8,904	1,061,902	219,679	31,510	15,238	56,911	218,878	4,353,991
Accumulated depreciation	(440,134)	(16,263)	(4,482)	(51,749)	(31,854)	(5,784)	(469,992)	(62,667)	(14,673)	(6,878)	(27,537)	(114,806)	(1,246,819)
<b>Net book value</b>	<b>2,108,901</b>	<b>44,542</b>	<b>123</b>	<b>20,228</b>	<b>22,693</b>	<b>3,120</b>	<b>591,910</b>	<b>157,012</b>	<b>16,837</b>	<b>8,360</b>	<b>29,374</b>	<b>104,072</b>	<b>3,107,172</b>

Assets with zero net carrying value as at 31 December 2022 included in the balances above (cost price).

	7,952	1,200	-	25,040	8,819	-	30,675	11,254	1,800	-	2,762	45,756	135,258
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As of 31 December 2022, included in the carrying amount for Land & Buildings, is property to the value of R156 981 (2021: R173 647) that is still under construction.

During 2022, assets with a cost amount of R55 787 (2021: R93 785) were reduced as a result of government grants received (note 2.20 and note 19).

As of 31 December 2022, assets with an accumulated cost amount of R905 309 (2021: R849 522) were reduced as a result of government grants received (note 2.20 and note 19).

As of 31 December 2022, included in the carrying amount for Land & Buildings, is Land to the value of R112 168 (2021: R97 968).

## University of Johannesburg

Consolidated and Separate Financial Statements for the year ended 31 December 2022

### Notes to the Consolidated and Separate Financial Statements

Figures in R '000

*Property, plant and equipment continued...*

	Land & Buildings	Building Lifts	Buildings - ROU	Uninterrupted power supply	Vehicles	Vehicles - ROU	Furniture & equipment	Computer equipment	Electric generators	Air-conditioner plants	Air-conditioners	Network & Mainframe computer equipment	Total
<b>Reconciliation for the year ended 31 December 2021 - Consolidated</b>													
Balance at 1 January 2021													
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)
<b>Net book value</b>	<b>1,839,582</b>	<b>43,815</b>	<b>2,374</b>	<b>21,011</b>	<b>19,760</b>	<b>6,802</b>	<b>536,229</b>	<b>100,532</b>	<b>14,637</b>	<b>9,809</b>	<b>27,891</b>	<b>56,628</b>	<b>2,679,070</b>
<b>Movements for the year ended 31 December 2021</b>													
Additions from acquisitions	258,265	770	-	638	2,763	-	34,124	58,000	1,533	-	844	28,240	385,177
Depreciation	(24,818)	(900)	(1,125)	(1,464)	(1,625)	(1,814)	(34,867)	(11,727)	(779)	(725)	(944)	(5,328)	(86,116)
Disposals at cost	-	-	-	(1,312)	(1,861)	-	(1,401)	(1,361)	-	-	-	(5,748)	(11,683)
Depreciation on disposals	-	-	-	-	1,119	-	682	1,300	-	-	-	5,700	8,801
<b>Closing balance at 31 December 2021</b>	<b>2,485,031</b>	<b>59,022</b>	<b>4,605</b>	<b>69,084</b>	<b>50,557</b>	<b>9,073</b>	<b>966,631</b>	<b>194,126</b>	<b>29,202</b>	<b>15,238</b>	<b>53,385</b>	<b>187,800</b>	<b>4,123,754</b>
At cost	(412,002)	(15,336)	(3,356)	(50,211)	(30,401)	(4,085)	(431,865)	(47,382)	(13,810)	(6,154)	(25,594)	(108,308)	(1,148,504)
<b>Net book value</b>	<b>2,073,029</b>	<b>43,686</b>	<b>1,249</b>	<b>18,873</b>	<b>20,156</b>	<b>4,988</b>	<b>534,766</b>	<b>146,744</b>	<b>15,392</b>	<b>9,084</b>	<b>27,791</b>	<b>79,492</b>	<b>2,975,250</b>

Assets with zero net carrying value as at 31 December 2021 included in the balances above (cost price).

	7,952	1,200	-	25,040	8,819	-	30,335	11,524	1,800	-	2,762	48,248	137,680
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As of 31 December 2021, included in the carrying amount for Land & Buildings, is property to the value of R173 647 (2020: R153 864) that is still under construction.

During 2021, assets with a cost amount of R93 785 (2020: R43 138) were reduced as a result of government grants received (note 2.20 and note 19).

As of 31 December 2021, assets with an accumulated cost amount of R849 522 (2020: R755 737) were reduced as a result of government grants received (note 2.20 and note 19).

As of 31 December 2021, included in the carrying amount for Land & Buildings, is Land to the value of R97 968 (2020: R115 620).

## University of Johannesburg

Consolidated and Separate Financial Statements for the year ended 31 December 2022

### Notes to the Consolidated and Separate Financial Statements

Figures in R '000

*Property, plant and equipment continued...*

	Land & Buildings	Building Lifts	Buildings - ROU	Uninterrupted power supply	Vehicles	Vehicles - ROU	Furniture & equipment	Computer equipment	Electric generators	Air-conditioner plants	Air-conditioners	Network & Mainframe computer equipment	Total
<b>Reconciliation for the year ended 31 December 2022 - University</b>													
<b>Balance at 1 January 2022</b>													
At cost	2,287,036	54,101	50,254	69,084	50,383	9,073	960,934	193,243	29,202	15,238	53,315	187,800	3,959,663
Accumulated depreciation	(391,427)	(14,627)	(37,717)	(50,211)	(30,227)	(4,085)	(429,929)	(46,678)	(13,810)	(6,154)	(25,571)	(108,308)	(1,158,744)
<b>Net book value</b>	<b>1,895,609</b>	<b>39,474</b>	<b>12,537</b>	<b>18,873</b>	<b>20,156</b>	<b>4,988</b>	<b>531,005</b>	<b>146,565</b>	<b>15,392</b>	<b>9,084</b>	<b>27,744</b>	<b>79,492</b>	<b>2,800,919</b>
<b>Movements for the year ended 31 December 2022</b>													
Additions from acquisitions	64,005	1,782	-	2,891	4,310	-	94,314	26,385	2,308	-	3,523	33,840	233,359
Depreciation	(25,895)	(806)	(12,414)	(1,536)	(1,773)	(1,699)	(37,672)	(16,034)	(863)	(725)	(1,937)	(8,895)	(110,249)
Remeasurement of lease liability	-	-	-	-	-	(169)	-	-	-	-	-	-	(169)
Disposals at cost	-	-	-	-	-	-	-	(679)	-	-	-	(2,770)	(3,449)
Depreciation on disposals	-	-	-	-	-	-	-	641	-	-	-	2,405	3,046
<b>Closing balance at 31 December 2022</b>													
At cost	2,351,040	55,884	50,254	71,977	54,373	8,904	1,055,226	218,843	31,510	15,238	56,841	218,878	4,188,968
Accumulated depreciation	(417,321)	(15,433)	(50,131)	(51,749)	(31,680)	(5,784)	(467,579)	(61,965)	(14,673)	(6,878)	(27,511)	(114,806)	(1,265,510)
<b>Net book value</b>	<b>1,933,719</b>	<b>40,451</b>	<b>123</b>	<b>20,228</b>	<b>22,693</b>	<b>3,120</b>	<b>587,647</b>	<b>156,878</b>	<b>16,837</b>	<b>8,360</b>	<b>29,330</b>	<b>104,072</b>	<b>2,923,458</b>

Assets with zero net carrying value as at 31 December 2022 included in the balances above (cost price).

As of 31 December 2022, included in the carrying amount for Land & Buildings, is property to the value of R156 981 (2021: R145 481) that is still under construction.

During 2022, assets with a cost amount of R50 587 (2021: R93 785) were reduced as a result of government grants received (note 2.20 and note 19).

As of 31 December 2022, assets with an accumulated cost amount of R900 109 (2021: R849 522) were reduced as a result of government grants received (note 2.20 and note 19).

As of 31 December 2022, included in the carrying amount for Land & Buildings, is Land to the value of R112 168 (2021: R97 968).

## University of Johannesburg

Consolidated and Separate Financial Statements for the year ended 31 December 2022

### Notes to the Consolidated and Separate Financial Statements

Figures in R '000

*Property, plant and equipment continued...*

	Land & Buildings	Building Lifts	Buildings - ROU	Uninterrupted power supply	Vehicles	Vehicles - ROU	Furniture & equipment	Computer equipment	Electric generators	Air-conditioner plants	Air-conditioners	Network & Mainframe computer equipment	Total
<b>Reconciliation for the year ended 31 December 2021 - University</b>													
<b>Balance at 1 January 2021</b>													
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)
<b>Net book value</b>	<b>1,661,722</b>	<b>39,481</b>	<b>24,951</b>	<b>21,011</b>	<b>19,756</b>	<b>6,802</b>	<b>532,430</b>	<b>100,323</b>	<b>14,637</b>	<b>9,809</b>	<b>27,841</b>	<b>56,628</b>	<b>2,515,391</b>
<b>Movements for the year ended 31 December 2021</b>													
Additions from acquisitions	256,444	771	-	638	2,763	-	33,675	57,970	1,533	-	844	28,239	382,880
Depreciation	(22,557)	(779)	(12,414)	(1,464)	(1,621)	(1,814)	(34,381)	(11,668)	(779)	(725)	(941)	(5,328)	(94,471)
Disposals at cost	-	-	-	(1,312)	(1,861)	-	(1,401)	(1,361)	-	-	-	(5,748)	(11,683)
Depreciation on disposals	-	-	-	-	1,119	-	682	1,300	-	-	-	5,700	8,801
<b>Closing balance at 31 December 2021</b>													
At cost	2,287,036	54,101	50,254	69,084	50,383	9,073	960,934	193,243	29,202	15,238	53,315	187,800	3,959,663
Accumulated depreciation	(391,427)	(14,627)	(37,717)	(50,211)	(30,227)	(4,085)	(429,929)	(46,678)	(13,810)	(6,154)	(25,571)	(108,308)	(1,158,744)
<b>Net book value</b>	<b>1,895,609</b>	<b>39,474</b>	<b>12,537</b>	<b>18,873</b>	<b>20,156</b>	<b>4,988</b>	<b>531,005</b>	<b>146,565</b>	<b>15,392</b>	<b>9,084</b>	<b>27,744</b>	<b>79,492</b>	<b>2,800,919</b>
Assets with zero net carrying value as at 31 December 2021 included in the balances above (cost price).	7,952	1,200	-	25,040	8,819	-	30,335	11,524	1,800	-	2,762	48,248	137,680

As of 31 December 2021, included in the carrying amount for Land & Buildings, is property to the value of R145 481 (2020: R153 864) that is still under construction.

During 2021, assets with a cost amount of R93 785 (2021: R55 787) were reduced as a result of government grants received (note 2.20 and note 19).

As of 31 December 2021, assets with an accumulated cost amount of R849 522 (2020: R755 737) were reduced as a result of government grants received (note 2.20 and note 19).

As of 31 December 2021, included in the carrying amount for Land & Buildings, is Land to the value of R97 968 (2020: R101 420).

# University of Johannesburg

Consolidated and Separate Financial Statements for the year ended 31 December 2022

## Notes to the Consolidated and Separate Financial Statements

Figures in R `000

### 7. Intangible assets

#### Reconciliation of changes in intangible assets

	Computer software	Artwork	Total
<b>Reconciliation for the year ended 31 December 2022 - Consolidated</b>			
<b>Balance at 1 January 2022</b>			
At cost	54,844	1,602	<b>56,446</b>
Accumulated amortisation	(43,371)	-	<b>(43,371)</b>
<b>Net book value</b>	<b>11,473</b>	<b>1,602</b>	<b>13,075</b>
<b>Movements for the year ended 31 December 2022</b>			
Additions	3,889	130	<b>4,019</b>
Amortisation	(1,990)	-	<b>(1,990)</b>
Disposals at cost	-	-	-
Amortisation on disposals	-	-	-
<b>Closing balance at 31 December 2022</b>			
At cost	58,732	1,732	<b>60,464</b>
Accumulated amortisation	(45,360)	-	<b>(45,360)</b>
<b>Net book value</b>	<b>13,372</b>	<b>1,732</b>	<b>15,104</b>
<b>Reconciliation for the year ended 31 December 2021 - Consolidated</b>			
<b>Balance at 1 January 2021</b>			
At cost	57,600	1,602	<b>59,202</b>
Accumulated amortisation	(41,643)	-	<b>(41,643)</b>
<b>Net book value</b>	<b>15,957</b>	<b>1,602</b>	<b>17,559</b>
<b>Movements for the year ended 31 December 2021</b>			
Additions	517	70	<b>587</b>
Amortisation	(1,611)	-	<b>(1,611)</b>
Disposals at cost	(3,390)	-	<b>(3,390)</b>
Amortisation on disposals	-	-	-
<b>Closing balance at 31 December 2021</b>			
At cost	54,844	1,602	<b>56,446</b>
Accumulated amortisation	(43,371)	-	<b>(43,371)</b>
<b>Net book value</b>	<b>11,473</b>	<b>1,602</b>	<b>13,075</b>

# University of Johannesburg

Consolidated and Separate Financial Statements for the year ended 31 December 2022

## Notes to the Consolidated and Separate Financial Statements

Figures in R `000

### *Intangible assets continued...*

Reconciliation for the year ended 31 December 2022 - University	Computer software	Artwork	Total
<b>Balance at 1 January 2022</b>			
At cost	54,719	1,602	<b>56,321</b>
Accumulated amortisation	(43,249)	-	<b>(43,249)</b>
<b>Net book value</b>	<b>11,470</b>	<b>1,602</b>	<b>13,072</b>
<b>Movements for the year ended 31 December 2022</b>			
Additions	3,888	130	<b>4,018</b>
Amortisation	(1,986)	-	<b>(1,986)</b>
Disposals at cost	-	-	-
Amortisation on disposals	-	-	-
<b>Closing balance at 31 December 2022</b>			
At cost	58,607	1,732	<b>60,339</b>
Accumulated amortisation	(45,235)	-	<b>(45,235)</b>
<b>Net book value</b>	<b>13,372</b>	<b>1,732</b>	<b>15,104</b>
<b>Reconciliation for the year ended 31 December 2021 - University</b>	<b>Computer software</b>	<b>Artwork</b>	<b>Total</b>
<b>Balance at 1 January 2021</b>			
At cost	57,592	1,602	<b>59,194</b>
Accumulated amortisation	(41,642)	-	<b>(41,642)</b>
<b>Net book value</b>	<b>15,950</b>	<b>1,602</b>	<b>17,552</b>
<b>Movements for the year ended 31 December 2021</b>			
Additions	517		<b>517</b>
Amortisation	(1,607)	-	<b>(1,607)</b>
Disposals at cost	(3,390)	-	<b>(3,390)</b>
Amortisation on disposals	-	-	-
<b>Closing balance at 31 December 2021</b>			
At cost	54,719	1,602	<b>56,321</b>
Accumulated amortisation	(43,249)	-	<b>(43,249)</b>
<b>Net book value</b>	<b>11,470</b>	<b>1,602</b>	<b>13,072</b>

# University of Johannesburg

Consolidated and Separate Financial Statements for the year ended 31 December 2022

## Notes to the Consolidated and Separate Financial Statements

Figures in R `000	Consolidated 2022	Consolidated 2021	University 2022	University 2021
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### 8. Subsidiaries, associates and investments

#### 8.1 Investments in subsidiaries

Cost of investment in commercial entities	-	-	211,871	217,766
Accumulated impairment of investments in commercial entities	-	-	(1,900)	(12,345)
	-	-	209,971	205,421

The cost of investment decreased during the current year as a result of an increase in investment in UJInvnt (Pty) Ltd of R4 550, and a decrease in investment in EyeThenticate (Pty) Ltd of R10 445 due to liquidation.

The accumulated impairment of investments in commercial entities decreased R10 445 due to the liquidation of EyeThenticate (Pty) Ltd.

#### 8.2 Loans to subsidiaries and other entities

Total loans to commercial entities	-	4,224	11,233	26,537
Expected credit loss allowance	-	(4,224)	(3,635)	(13,576)
	-	-	7,598	12,961

Total loans to commercial entities and expected credit loss allowances, decreased during the current year by R9 941 as a result of the liquidation of EyeThenticate (Pty) Ltd.

### 9. Inventories

Consumables at cost	15,562	17,037	15,360	16,967
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The cost of consumables recognised as an expense and included in items within 'other operating expenses' amounted to Consolidated R17 006 / University R17 006 (2021: Consolidated R17 291 / University R17 291).

The University does not hold any inventories as security.

# University of Johannesburg

Consolidated and Separate Financial Statements for the year ended 31 December 2022

## Notes to the Consolidated and Separate Financial Statements

Figures in R `000	Consolidated 2022	Consolidated 2021	University 2022	University 2021
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### 10. Trade and other receivables

<b>Trade receivables</b>	1,105,889	806,919	1,098,497	802,969
NSFAS and other student receipts	(193,147)	(114,739)	(193,147)	(114,739)
Provision for impairment	(606,719)	(534,567)	(602,019)	(530,862)
<b>Student receivables - net carrying amount</b>	<b>306,023</b>	<b>157,613</b>	<b>303,331</b>	<b>157,368</b>
 <b>Other receivables</b>	 <b>148,393</b>	 <b>143,817</b>	 <b>103,210</b>	 <b>98,964</b>
Advances and pre-payments	55,385	43,184	47,106	41,219
Deposits	8,294	7,922	3,121	2,859
Staff loans, receivables and advances	18	90	18	90
Value added tax	3,137	1,960	1,865	276
Non-student receivables - net carrying amount	81,559	90,661	51,100	54,520
Non-student receivables	101,735	103,153	71,123	66,783
Less: Provision for impairment	(20,176)	(12,492)	(20,023)	(12,263)
	<b>454,416</b>	<b>301,430</b>	<b>406,541</b>	<b>256,332</b>

The carrying value of student and other receivables approximate their fair values as shown above, due to their short term nature.

The University does not hold any receivables as security.

Refer to note 33 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 2022, student receivables of Consolidated R306 023 / University R303 331 (2021: Consolidated R157 613 / University R157 368) 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	306,023	157,613	303,331	157,368
	<b>306,023</b>	<b>157,613</b>	<b>303,331</b>	<b>157,368</b>

As of 31 December 2022, student receivables of Consolidated R534 567 / University R530 862 (2021: Consolidated R534 567 / University R530 862) 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	175,050	336,977	170,350	333,272
Students enrolled in prior year	221,134	121,081	221,134	121,081
Students enrolled more than two years ago	210,535	76,509	210,535	76,509
	<b>606,719</b>	<b>534,567</b>	<b>602,019</b>	<b>530,862</b>

# University of Johannesburg

Consolidated and Separate Financial Statements for the year ended 31 December 2022

## Notes to the Consolidated and Separate Financial Statements

Figures in R `000	Consolidated 2022	Consolidated 2021	University 2022	University 2021
<b>Trade and other receivables continued...</b>				
Movements in the provision for impairment of trade receivables are as follows:				
At 1 January	534,567	271,424	530,862	271,424
Provision for receivables impaired	142,568	332,721	141,573	329,016
Receivables written off during the year as uncollectable	(70,416)	(69,578)	(70,416)	(69,578)
At 31 December	<b>606,719</b>	<b>534,567</b>	<b>602,019</b>	<b>530,862</b>

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 2022, other receivables of Consolidated R106 031 / University R71 123 (2021: Consolidated R103 153 / University R66 783) were fully performing.

The ageing of these receivables are as follows:

Not past due	82,696	71,410	52,084	35,040
Past due	19,039	31,744	19,039	31,744
	<b>101,735</b>	<b>103,153</b>	<b>71,123</b>	<b>66,783</b>

As of 31 December 2022, other trade receivables of Consolidated R20 187 / University R20 023 (2021: Consolidated R12 492 / University R12 263) 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	10,816	3,437	10,663	3,208
> 3 months	9,360	9,055	9,360	9,055
	<b>20,176</b>	<b>12,492</b>	<b>20,023</b>	<b>12,263</b>

Movements in the provision for impairment of other trade receivables are as follows:

At 1 January	12,492	8,729	12,263	8,646
Provision for impairment	11,353	5,374	11,322	5,228
Receivables written-off during the year	(3,669)	(1,611)	(3,562)	(1,611)
At 31 December	<b>20,176</b>	<b>12,492</b>	<b>20,023</b>	<b>12,263</b>

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.

# University of Johannesburg

Consolidated and Separate Financial Statements for the year ended 31 December 2022

## Notes to the Consolidated and Separate Financial Statements

Figures in R `000	Consolidated 2022	Consolidated 2021	University 2022	University 2021
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### 11. Financial assets at fair value through profit or loss

Opening balance 1 January	4,956,992	4,095,899	3,867,076	3,240,981
Net additions and disposals during the year	832,351	580,720	766,045	400,915
Investments fair value gains/(losses) (note 31)	(352,750)	280,373	(282,096)	225,180
	<b>5,436,593</b>	<b>4,956,992</b>	<b>4,351,025</b>	<b>3,867,076</b>

Fair value financial assets include the following:

Government bonds and stocks	767,147	422,534	688,661	351,411
Listed - stocks and debentures	407,495	536,659	301,890	429,887
Listed - shares	3,848,568	3,653,944	2,989,382	2,772,375
Fixed deposits	54,422	56,786	54,422	56,786
Other deposits	325,440	254,966	283,149	224,514
Endowment policies	28,745	27,219	28,745	27,219
Other investments	4,776	4,884	4,776	4,884
	<b>5,436,593</b>	<b>4,956,992</b>	<b>4,351,025</b>	<b>3,867,076</b>

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 2022 (note 33.7). The valuations are performed by independent fund managers who manage the University's investments under agreed mandates. Other deposits relate to the money market portion of the various portfolios.

Other investment to the value of 4776 (2021: 4884) previously reported under note 8.2 Investments, has been moved to note 11 Financial assets at Fair value as part of enhancement to financial statement disclose in alignment with its nature.

# University of Johannesburg

Consolidated and Separate Financial Statements for the year ended 31 December 2022

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### 12. Cash and cash equivalents

Cash at bank and in hand	195,348	259,202	166,116	232,781
Short term cash deposits	2,365,116	2,545,330	2,365,116	2,545,330
<b>Net cash and cash equivalents</b>	<b>2,560,464</b>	<b>2,804,532</b>	<b>2,531,232</b>	<b>2,778,111</b>

The carrying value of cash and cash equivalents approximates its fair value, due to its short term nature.

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 33.

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

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	10,000	10,000

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### 13. Provisions

#### Non-current provisions

##### Provision for Deferred Compensation

Opening Balance	-	1,172	-	1,172
Utilised during the year	-	(1,172)	-	(1,172)
Closing balance	-	-	-	-

Deferred compensation was a benefit payable to exceptional performers identified by the university.

##### Provision for City of Johannesburg

Opening Balance	36,539	69,845	36,539	69,845
Additions	64,146	40,502	64,146	40,500
Utilised during the year	(74,562)	(73,808)	(74,562)	(73,806)
Closing balance	26,123	36,539	26,123	36,539

A provision has been recognised for un-billed and under-billed utility charges by The City of Johannesburg to the University of Johannesburg.

<b>Total non-current provisions</b>	<b>26,123</b>	<b>36,539</b>	<b>26,123</b>	<b>36,539</b>
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#### Current provisions

##### Leave pay provision

Opening Balance	66,249	66,112	66,249	66,112
Additions	100,398	50,230	100,398	50,230
Utilised during the year	(104,710)	(50,093)	(104,710)	(50,093)
Closing balance	61,937	66,249	61,937	66,249

The leave pay provision is based on the Universities obligation to compensate employees for future absences attributable to employees' service already rendered.

##### Distribution provision

Opening Balance	10,816	-	-	-
Additions	-	10,816	-	-
Utilised during the year	(10,816)	-	-	-
Closing balance	-	10,816	-	-

A distribution provision is recognised based on an obligation by the UJ Metropolitan Academy Trust to make distribution to the UJ Metropolitan Academy.

<b>Total current provisions</b>	<b>61,937</b>	<b>77,065</b>	<b>61,937</b>	<b>66,249</b>
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# University of Johannesburg

Consolidated and Separate Financial Statements for the year ended 31 December 2022

## Notes to the Consolidated and Separate Financial Statements

Figures in R `000	Consolidated 2022	Consolidated 2021	University 2022	University 2021
<b>14. Trade and other payables</b>				
<b>Financial Instruments</b>				
<b>Current</b>				
Trade Payables	52,491	25,076	51,856	24,293
Accruals	161,620	150,561	159,181	146,341
Other payables	1,817,119	1,448,531	1,816,577	1,449,056
	<b>2,031,230</b>	<b>1,624,168</b>	<b>2,027,614</b>	<b>1,619,690</b>
<b>Non-Financial Instruments</b>				
<b>Current</b>				
SARS Payable	85,288	82,018	85,288	82,018
<b>Total trade and other payables</b>	<b>2,116,518</b>	<b>1,706,186</b>	<b>2,112,902</b>	<b>1,701,708</b>

The carrying value for trade and other payables above approximate their fair value amount due to its short term nature.

Included in the other payables is Bursaries of Consolidated R1 713 753 / University R1 713 753 (2021: Consolidated R1 391 543 / University R1 391 543) and Unallocated deposits of Consolidated R9 209 / University R9 209 (2021: Consolidated R78 579 / University R78 579).

## 15. Leases

<b>Lease liability</b>				
Current	1,785	3,062	1,785	14,087
Non-current	941	2,865	941	2,865

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).

# University of Johannesburg

Consolidated and Separate Financial Statements for the year ended 31 December 2022

## Notes to the Consolidated and Separate Financial Statements

Figures in R `000

### Leases continued...

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
<b>Consolidated</b>						
Buildings	2	1-2 years	1 years	-	-	-
Vehicles	16	2-3 years	2 years	-	-	-
<b>University</b>						
Buildings	3	1-2 years	1 years	-	-	-
Vehicles	16	2-3 years	2 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 26)

The lease liabilities are secured by the related underlying assets. Future minimum lease payments at 31 December 2022 were as follows:

	Within 1 year	1-2 years	2-3 years	> 3 years	Total
<b>Consolidated</b>					
<b>31 December 2022</b>					
Lease payments	2,328	1,303	-	-	3,631
Finance charges	(543)	(362)	-	-	(905)
<b>Net present values</b>	<b>1,785</b>	<b>941</b>	<b>-</b>	<b>-</b>	<b>2,726</b>
<b>31 December 2021</b>					
Lease payments	3,795	2,435	1,383	-	7,613
Finance charges	(734)	(568)	(384)	-	(1,686)
<b>Net present values</b>	<b>3,061</b>	<b>1,867</b>	<b>999</b>	<b>-</b>	<b>5,927</b>

# University of Johannesburg

Consolidated and Separate Financial Statements for the year ended 31 December 2022

## Notes to the Consolidated and Separate Financial Statements

Figures in R `000

### Leases continued...

#### University

	Within 1 year	1-2 years	2-3 years	> 3 years	Total
<b>31 December 2022</b>					
Lease payments	2,328	1,303	-	-	3,631
Finance charges	(543)	(362)	-	-	(905)
<b>Net present values</b>	<b>1,785</b>	<b>941</b>	<b>-</b>	<b>-</b>	<b>2,726</b>
<b>31 December 2021</b>					
Lease payments	16,494	2,435	1,383	-	20,312
Finance charges	(2,408)	(568)	(384)	-	(3,360)
<b>Net present values</b>	<b>14,086</b>	<b>1,867</b>	<b>999</b>	<b>-</b>	<b>16,952</b>

### Reconciliation of liabilities arising from financing activities

	2021	Cash flows	Non - cash changes New leases	2022
<b>Consolidation</b>				
Lease liabilities	5,927	(3,201)	-	2,726
<b>University</b>				
Lease liabilities	16,952	(14,226)	-	2,726
	2020	Cash flows	Non - cash changes New leases	2021
<b>Consolidation</b>				
Lease liabilities	9,102	(3,175)	-	5,927
<b>University</b>				
Lease liabilities	31,601	(14,649)	-	16,952

# University of Johannesburg

Consolidated and Separate Financial Statements for the year ended 31 December 2022

## Notes to the Consolidated and Separate Financial Statements

Figures in R `000	Consolidated 2022	Consolidated 2021	University 2022	University 2021
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### 16. Student deposits and accounts in credit

Student accounts in credit	230,224	229,096	230,224	229,096
Income received in advance	9,101	47,522	4,713	30,039
Deposits	186	196	186	196
	<b>239,511</b>	<b>276,814</b>	<b>235,123</b>	<b>259,331</b>

### 17. Borrowings

Government loans secured by increment guarantees	-	263	-	263
Interest is charged at fixed rates for each loan that range between 8% and 14% per annum. These loans are repayable 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>263</b>	-	<b>263</b>

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

Up to 1 year	-	263	-	263
Between 1 and 2 years	-	-	-	-
	-	<b>263</b>	-	<b>263</b>
Less: current portion	-	(263)	-	(263)
	-	-	-	-

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.

### 18. 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	264,671	352,839	264,671	352,839
Grants received during the year	15,300	32,393	15,300	32,393
Grants re-allocated	(15,907)	-	(15,907)	-
Grants utilised to reduce asset cost	(55,787)	(93,785)	(55,787)	(93,785)
Grants utilised to reduce operating cost	(18,999)	(26,776)	(18,999)	(26,776)
	<b>189,278</b>	<b>264,671</b>	<b>189,278</b>	<b>264,671</b>
Non-current portion of deferred income	(157,692)	(78,798)	(157,692)	(78,798)
Current portion of deferred income	(31,586)	(185,873)	(31,586)	(185,873)
	<b>(189,278)</b>	<b>(264,671)</b>	<b>(189,278)</b>	<b>(264,671)</b>

# University of Johannesburg

Consolidated and Separate Financial Statements for the year ended 31 December 2022

## Notes to the Consolidated and Separate Financial Statements

Figures in R `000	Consolidated 2022	Consolidated 2021	University 2022	University 2021
<b>19. Post-employee benefits</b>				
<b>Post-employee benefits asset</b>				
UJ pension fund (note 19.2)	752,828	816,654	752,828	816,654
<b>Post-employee benefits obligation</b>				
Post-retirement medical benefits (note 19.1)	206,517	220,770	206,517	220,770
UJ Long service awards (note 19.4)	52,687	54,644	52,687	54,644
	<b>259,204</b>	<b>275,414</b>	<b>259,204</b>	<b>275,414</b>
Reconciliation of the actuarial gains / (losses) on post-employee benefits:				
Post-retirement medical benefits	15,116	(32,337)	15,116	(32,337)
UJ Pension fund	(143,010)	(177,196)	(143,010)	(177,196)
UJ Disability fund	(41,372)	23,434	(41,372)	23,434
UJ Long service awards	7,660	(3,818)	7,660	(3,818)
	<b>(161,606)</b>	<b>(189,917)</b>	<b>(161,606)</b>	<b>(189,917)</b>
Reconciliation of the change in asset limit:				
UJ Pension fund	-	309,293	-	309,293
UJ Disability fund	41,372	21,665	41,372	21,665
	<b>41,372</b>	<b>330,958</b>	<b>41,372</b>	<b>330,958</b>
Net Actuarial gain(losses) on defined benefit plans	<b>(120,234)</b>	<b>141,041</b>	<b>(120,234)</b>	<b>141,041</b>

# University of Johannesburg

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### *Post-employee benefits continued...*

#### 19.1 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 2022.

Present value of the obligation	(206,517)	(220,770)	(206,517)	(220,770)
	<b>(206,517)</b>	<b>(220,770)</b>	<b>(206,517)</b>	<b>(220,770)</b>

Reconciliation of the movement in the defined benefit obligation:

Present value of obligation: beginning of the year	(220,770)	(177,967)	(220,770)	(177,967)
Current service cost	(2,458)	(1,586)	(2,458)	(1,586)
Interest cost	(12,680)	(22,194)	(12,680)	(22,194)
Benefits paid	14,275	13,314	14,275	13,314
	<b>(221,633)</b>	<b>(188,433)</b>	<b>(221,633)</b>	<b>(188,433)</b>

Less remeasurements:

- (Gain)/loss from change in financial assumptions	(13,303)	27,162	(13,303)	27,162
- (Gain)/loss from change in demographic assumptions	(1,813)	5,175	(1,813)	5,175
	<b>(15,116)</b>	<b>32,337</b>	<b>(15,116)</b>	<b>32,337</b>

Present value of obligation: end of the period	<b>(206,517)</b>	<b>(220,770)</b>	<b>(206,517)</b>	<b>(220,770)</b>
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#### **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, resulting in higher defined benefit obligation.
- Longevity: The risk that pensioners live longer than expected and thus their healthcare benefit is payable for longer than expected.
- 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.
- Interest: The risk that future interest rates are higher than expected , resulting in higher defined benefit obligation.

# University of Johannesburg

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### *Post-employee benefits continued...*

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

Effective date of assumptions	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21
Post retirement plan				
Discount rate	13.10%	12.30%	13.10%	12.30%
Health care cost inflation	10.20%	10.10%	10.20%	10.10%
Expected retirement age	65 yrs	65 yrs	65 yrs	65 yrs
CPI Inflation	5.60%	4.00%	5.60%	4.00%
UJ's best estimate of contributions and benefits expected to be paid to the plan during the annual period beginning after reporting date:	(9,757)	(13,313)	(9,757)	(13,313)

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

Healthcare cost inflation				
1% increase	21,396	23,698	21,396	23,698
Change %	10.40%	10.70%	10.40%	10.70%
1% decrease	(18,313)	(20,272)	(18,313)	(20,272)
Change %	-8.90%	-9.20%	-8.90%	-9.20%
Discount rate				
1% increase	(18,592)	(20,685)	(18,592)	(20,685)
Change %	-9.00%	-9.40%	-9.00%	-9.40%
1% decrease	22,054	24,583	18,313	20,272
Change %	10.70%	11.10%	10.70%	11.10%
Expected retirement age				
1 year increase	(6,530)	(7,503)	(6,530)	(7,503)
Change %	-3.20%	-3.40%	-3.20%	-3.40%
1 year decrease	6,371	7,539	6,371	7,539
Change %	3.10%	3.40%	3.10%	3.40%

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.

# University of Johannesburg

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### *Post-employee benefits continued...*

#### 19.2 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 2022. 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.

Balance at end of the year

Present value of the obligation	(743,848)	(784,378)	(743,848)	(784,378)
Fair value of plan assets	1,496,676	1,601,032	1,496,676	1,601,032
Defined benefit surplus at 31 December	<b>752,828</b>	<b>816,654</b>	<b>752,828</b>	<b>816,654</b>

#### Reconciliation of the present value of the obligation

Defined benefit obligation at beginning of the year	784,378	789,004	784,378	789,004
Member contributions	926	1,143	926	1,143
Service cost	3,796	4,175	3,796	4,175
Interest cost	73,263	61,534	73,263	61,534
	<b>862,363</b>	<b>855,856</b>	<b>862,363</b>	<b>855,856</b>

Remeasurements:

- Actuarial (gain)/loss	(54,291)	(5,767)	(54,291)	(5,767)
Benefit payments	(64,224)	(65,711)	(64,224)	(65,711)
Defined benefit obligation at 31 December	<b>743,848</b>	<b>784,378</b>	<b>743,848</b>	<b>784,378</b>

#### Reconciliation of the fair value of plan assets

Fair Value of assets as at 1 January	1,601,032	1,384,114	1,601,032	1,384,114
University contributions	1,955	2,409	1,955	2,409
Member contributions	926	1,143	926	1,143
	<b>1,603,913</b>	<b>1,387,666</b>	<b>1,603,913</b>	<b>1,387,666</b>

Remeasurements:

-Net interest income/(expense)	152,416	109,520	152,416	109,520
-Actuarial gain/(loss)	(197,301)	171,429	(197,301)	171,429
	<b>(44,885)</b>	<b>280,949</b>	<b>(44,885)</b>	<b>280,949</b>

Benefits paid	(62,352)	(67,583)	(62,352)	(67,583)
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Fair Value of assets as at 31 December	<b>1,496,676</b>	<b>1,601,032</b>	<b>1,496,676</b>	<b>1,601,032</b>
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The actual return on plan assets is as follows:	(44,885)	280,949	(44,885)	280,949
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### *Post-employee benefits continued...*

**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 pension 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

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

Cash	2.83%	2.58%	2.83%	2.58%
Equity	40.90%	41.78%	40.90%	41.78%
Bonds	23.10%	23.21%	23.10%	23.21%
Property	3.09%	3.71%	3.09%	3.71%
International	28.74%	27.59%	28.74%	27.59%
Other	1.34%	1.13%	1.34%	1.13%
<b>Total</b>	<b>100 %</b>	<b>100 %</b>	<b>100 %</b>	<b>100 %</b>

Plan assets are valued at the current market value as required by IAS 19 as at 31 December 2022.

Discount rate	10.70%	9.70%	10.70%	9.70%
Inflation rate	5.60%	5.50%	5.60%	5.50%
Salary increase rate	6.60%	6.50%	6.60%	6.50%
Pension increase allowance (Ex-NTRF)	3.64%	3.58%	3.64%	3.58%
Pension increase allowance (Other pensioners)	3.08%	3.03%	3.08%	3.03%
UJ's best estimate of contributions expected to be paid to the plan during the annual period beginning after reporting date:	2,129	1,217	2,129	1,217

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### *Post-employee benefits continued...*

#### Sensitivity Analysis

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

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

We recalculated the liability to show the effect of:

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

#### Discount rate

1% increase	(45,279)	(59,345)	(45,279)	(59,345)
Change %	-6.10%	-7.60%	-6.10%	-7.60%
1% decrease	59,309	73,203	59,309	73,203
Change %	8.00%	9.40%	8.00%	9.40%

#### Inflation rate

1% increase	37,101	44,676	37,101	44,676
Change %	5.00%	5.70%	5.00%	5.70%
1% decrease	(32,392)	(39,398)	(32,392)	(39,398)
Change %	-4.40%	-5.00%	-4.40%	-5.00%

# University of Johannesburg

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### Post-employee benefits continued...

#### 19.3 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 2022.

#### Balance at end of the year

Present value of the obligation	(55,829)	(42,427)	(55,829)	(42,427)
Fair value of plan assets	194,724	211,803	194,724	211,803
Unrecognised surplus due to IAS 19(a) limit	(138,895)	(169,376)	(138,895)	(169,376)
Defined benefit surplus at 31 December	-	-	-	-

The IAS 19(a), 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 or reductions in future contributions.

#### Reconciliation of the movement in the defined benefit obligation:

Present value of obligation: beginning of the year	42,427	40,897	42,427	40,897
Current service cost	1,746	1,721	1,746	1,721
Interest cost	2,717	2,031	2,717	2,031
	46,890	44,649	46,890	44,649
- Actuarial (gain)/loss	23,095	8,750	23,095	8,750
Benefits paid (net of reinsurance proceeds)	(14,156)	(10,972)	(10,972)	(10,972)
Present value of obligation: end of year	55,829	42,427	59,013	42,427

#### Reconciliation of the movement in the plan assets:

Present value of assets beginning of the year	211,803	180,757	211,803	180,757
Contributions (net of reinsurance premiums)	(1,746)	(1,721)	(1,746)	(1,721)
Value of assets as at 31 December	210,057	179,036	210,057	179,036
Remeasurements:				
-Net interest income/expense	15,354	9,816	15,354	9,816
-Actuarial (loss)/gain	(18,277)	32,184	(18,277)	32,184
	(2,923)	42,000	(2,923)	42,000
Benefits (net of reinsurance premiums)	(12,410)	(9,233)	(12,410)	(9,233)
Value of assets as at 31 December	194,724	211,803	194,724	211,803

# University of Johannesburg

Consolidated and Separate Financial Statements for the year ended 31 December 2022

## Notes to the Consolidated and Separate Financial Statements

Figures in R `000	Consolidated 2022	Consolidated 2021	University 2022	University 2021
<b>Post-employee benefits continued...</b>				
The actual return on plan assets is as follows:	(2,923)	42,000	(2,923)	42,000
The assets of the University of Johannesburg Disability Fund were invested as follows:				
Cash	-0.88%	0.56%	-0.88%	0.56%
Equity	38.56%	51.71%	38.56%	51.71%
Bonds	14.79%	20.64%	14.79%	20.64%
Property	3.15%	3.50%	3.15%	3.50%
International	43.28%	22.64%	43.28%	22.64%
Other	1.10%	0.95%	1.10%	0.95%
<b>Total</b>	<b>100 %</b>	<b>100 %</b>	<b>100 %</b>	<b>100 %</b>

Plan assets are valued at the current market value as required by IAS 19 as at 31 December 2022.

### Claimants

Number of members	23	19	23	19
Annual benefit	10,084	7,836	10,084	7,836
Annual reinsured benefit	1,074	1,074	1,074	1,074
Benefit weighted average service	56.5 yrs	56.8 yrs	56.5 yrs	56.8 yrs
Effective date of assumptions	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021

### The principal assumptions used for accounting purposes were as follows:

General inflation rate	4.80%	4.10%	4.80%	4.10%
Discount rate	9.00%	7.50%	9.00%	7.50%
Expected increases in benefits	5.80%	5.10%	5.80%	5.10%

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:

Inflation rate				
1% increase	58,707	44,665	58,707	44,665
Change %	5.20%	5.30%	5.20%	5.30%
1% decrease	(53,152)	(40,328)	(53,152)	(40,328)
Change %	-4.80%	-4.90%	-4.80%	-4.90%
Discount rate				
1% increase	(53,438)	(40,628)	(53,438)	(40,628)
Change %	-4.30%	-4.20%	-4.30%	-4.20%
1% decrease	58,447	44,381	58,447	44,381
Change %	4.70%	4.60%	4.70%	4.60%

# University of Johannesburg

Consolidated and Separate Financial Statements for the year ended 31 December 2022

## Notes to the Consolidated and Separate Financial Statements

Figures in R `000

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### *Post-employee benefits continued...*

The fund is not registered with the FSB.

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

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

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

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

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

A member's membership of the fund shall be terminated on the earliest of the following events:

- a) The death of the member; or
- b) The member attaining normal retirement age; or
- c) The member ceasing to be a member of the Fund; or
- d) Discontinuance of the payment of premiums in respect of a member; or
- e) Absence of the member as defined; or
- f) The permanent departure of the member from the territories in terms of the contract unless accepted in writing.

The University of Johannesburg (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

# University of Johannesburg

Consolidated and Separate Financial Statements for the year ended 31 December 2022

## Notes to the Consolidated and Separate Financial Statements

Figures in R `000	Consolidated 2022	Consolidated 2021	University 2022	University 2021
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### *Post-employee benefits continued...*

#### 19.4 Long service award

The University awards long service payments to qualifying staff as predetermined milestones are reached. The actuarially determined liability was valued at 31 December 2022. This obligation is funded from University's reserves.

#### Reconciliation of the movement in the long service award obligation:

Present value of obligation: beginning of the year	53,783	44,343	53,783	44,343
Current service cost	6,251	5,405	6,251	5,405
Interest cost	5,192	4,238	5,192	4,238
	<u>65,226</u>	<u>53,986</u>	<u>65,226</u>	<u>53,986</u>
- Actuarial (gain)/loss	(7,660)	3,818	(7,660)	3,818
Benefits paid	(4,879)	(4,021)	(4,879)	(4,021)
<b>Present value of obligation: end of period</b>	<b><u>52,687</u></b>	<b><u>53,783</u></b>	<b><u>52,687</u></b>	<b><u>53,783</u></b>

The University's best estimate of awards expected to be paid to employees during the annual period beginning after reporting date:	4,864	4,021	4,864	4,021
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The significant actuarial assumptions were as follows:

Discount rate	11.30%	10.10%	11.30%	10.10%
Salary inflation	6.80%	7.10%	6.80%	7.10%
CPI inflation	5.80%	5.60%	5.80%	5.60%
Expected retirement age	65 yrs	65 yrs	65 yrs	65 yrs

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

Discount rate				
1% increase	(49,334)	(58,058)	(49,334)	(58,058)
Change %	-6.40%	-7.90%	-6.40%	-7.90%
1% decrease	56,501	50,024	56,501	50,024
Change %	7.20%	7.00%	7.20%	7.00%
Salary inflation				
1% increase	12,801	12,453	12,801	12,453
Change %	8.10%	8.80%	8.10%	8.80%
1% decrease	(10,983)	(10,548)	(10,983)	(10,548)
Change %	-7.20%	-7.80%	-7.20%	-7.80%

# University of Johannesburg

Consolidated and Separate Financial Statements for the year ended 31 December 2022

## Notes to the Consolidated and Separate Financial Statements

Figures in R `000	Consolidated 2022	Consolidated 2021	University 2022	University 2021
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### *Post-employee benefits continued...*

Expected retirement age

1 year increase	54,565	55,884	54,565	55,884
Change %	3.50%	3.90%	3.50%	3.90%
1year decrease	(50,596)	(51,559)	(50,596)	(51,559)
Change %	-4.00%	-4.10%	-4.00%	-4.10%

### 20. State appropriations - subsidies and grants

Block grant	2,525,717	2,572,371	2,525,717	2,572,371
University capacity development	27,877	54,505	27,877	54,505
Foundation phase development	61,564	60,841	61,564	60,841
Interest and redemption of government approved loans	14	526	14	526
Clinical training of health professionals	18,200	11,943	18,200	11,943
	<b>2,633,372</b>	<b>2,700,186</b>	<b>2,633,372</b>	<b>2,700,186</b>

### 21. Tuition and other fee income

Tuition Fees	1,979,380	1,898,348	1,979,380	1,898,348
Registration Fees	35,018	33,966	35,018	33,966
Levy Income	31,765	31,079	31,765	31,079
Other Fees	1,140	778	1,140	778
Tuition and other related fees	2,047,303	1,964,171	2,047,303	1,964,171
Residence Fees	242,924	208,504	222,821	196,453
	<b>2,290,227</b>	<b>2,172,675</b>	<b>2,270,124</b>	<b>2,160,624</b>

### 22. Research income

Research income NRF	182,491	156,855	182,491	156,855
Contract Research International	24,256	52,957	24,256	52,957
Contract Research National	91,969	84,736	92,371	84,989
Non-obligated Research income	15,081	24,408	15,389	24,408
Research donations	1,449	2,112	1,449	2,112
	<b>315,246</b>	<b>321,068</b>	<b>315,956</b>	<b>321,321</b>

# University of Johannesburg

Consolidated and Separate Financial Statements for the year ended 31 December 2022

## Notes to the Consolidated and Separate Financial Statements

Figures in R `000	Consolidated 2022	Consolidated 2021	University 2022	University 2021
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### 23. Other operating income

Sundry income	16,407	19,990	3,553	20,127
Hire out of facilities	4,820	2,678	4,820	2,678
Consultation/Evaluation income	7,338	6,624	7,338	6,624
Project income	26,725	27,781	26,723	18,675
Public sales and services	135,030	97,469	79,674	38,433
Other income	8,202	59,001	8,201	58,999
Insurance claim	3,334	3,716	3,334	3,716
PPE gains	291	211	291	211
Donations	147,580	141,790	147,580	166,790
<b>Total other income</b>	<b>349,727</b>	<b>359,260</b>	<b>281,514</b>	<b>316,253</b>

### 24. Personnel costs

Academic professionals	1,433,623	1,345,430	1,433,623	1,345,430
Support personnel	1,773,265	1,522,313	1,722,378	1,469,118
Other post-retirement costs	17,146	119,691	17,146	119,691
Pension cost - defined contribution plans	236,388	221,378	236,388	221,378
Pension cost - defined benefit plans	6,015	6,879	6,015	6,879
	<b>3,466,437</b>	<b>3,215,691</b>	<b>3,415,550</b>	<b>3,162,496</b>

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

Full Time	4,438	4,342	4,357	4,319
Part Time	4,128	4,752	3,756	3,202

### 25. Bursaries Awarded

Student bursaries awarded	407,331	459,814	407,331	459,814
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# University of Johannesburg

Consolidated and Separate Financial Statements for the year ended 31 December 2022

## Notes to the Consolidated and Separate Financial Statements

Figures in R `000	Consolidated 2022	Consolidated 2021	University 2022	University 2021
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### 26. Other expenses

#### Other expenses comprise:

Auditors remuneration	20,591	15,657	20,259	15,386
- external audit	9,317	7,778	8,985	7,575
- internal audit	6,903	5,586	6,903	5,586
- other audit services	4,371	2,293	4,371	2,225
Advertising	37,610	35,638	37,046	35,517
Bank charges	8,785	7,231	8,694	7,145
Books and periodicals	139,355	140,875	139,355	140,875
Cartridges	1,022	1,042	1,022	1,040
Cleaning	22,865	18,014	21,759	17,150
Conference registration fees	19,071	5,697	19,053	5,697
Consulting fees	80,725	77,284	76,701	74,483
Copyright fees	6,894	6,494	6,894	6,494
Corporate functions	14,948	2,639	14,948	2,639
Cost of sales	17,960	9,603	17,960	9,603
Data lines	9,346	7,437	9,168	7,437
Foreign exchange (gains)/losses	(332)	(583)	(332)	(583)
Fuel, Oil and Gas	26,794	9,171	26,392	8,758
Functions and entertainment	38,029	14,419	37,822	14,355
Grants and donations	3,213	6,467	(187)	2,517
Insurance	17,925	15,524	17,874	15,519
Leases of low value assets	6,393	810	6,393	810
Legal expense	19,613	12,966	19,580	12,796
Medical Aid Pensioners	13,408	12,999	13,408	12,999
Membership fees	9,249	11,235	9,216	11,213
Municipal rates, taxes and electricity	231,227	186,008	223,262	179,298
Other expenses	130,273	104,533	114,017	161,002
Printing	29,147	18,138	29,147	17,685
Protective clothing	8,436	12,277	8,175	11,549
Repairs and maintenance	136,825	98,962	143,057	104,498
Security contracts	38,410	28,210	38,990	27,629
Services Rendered - outsourced	106,585	80,398	105,253	75,681
Short-term leases	38,756	22,781	36,949	21,325
Software licenses	93,367	87,192	92,157	86,312
Staff development	22,133	13,459	21,486	12,922
Stationery	3,703	2,476	3,685	2,368
Student expenses	10,419	9,390	10,419	9,390
Tax expense in subsidiaries	639	948	-	-
Teaching and laboratory consumables	41,034	35,602	39,034	34,739
Telephone and fax	1,264	3,676	938	3,364
Travel and accommodation	101,629	22,988	101,333	22,866
	<b>1,507,311</b>	<b>1,137,657</b>	<b>1,470,927</b>	<b>1,172,478</b>

# University of Johannesburg

Consolidated and Separate Financial Statements for the year ended 31 December 2022

## Notes to the Consolidated and Separate Financial Statements

Figures in R `000	Consolidated 2022	Consolidated 2021	University 2022	University 2021
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### 27. Impairment (gains)/ losses

Loans to subsidiaries and other entities	-	9,378	-	(13,072)
	-	<b>9,378</b>	-	<b>(13,072)</b>

An impairment gain was recognised during the 2021 financial year period as a result of a reversal of provision for impairment for loans with Resolution Circle, as the loan with Resolution Circle was converted to equity.

### 28. Finance income

Student fees	25,659	27,816	25,505	27,675
Current accounts	6,922	3,022	5,549	2,192
Defined benefit plan	57,485	39,573	57,485	39,573
	<b>90,066</b>	<b>70,411</b>	<b>88,539</b>	<b>69,440</b>

### 29. Finance costs

Borrowings	84	115	84	115
Lease obligations	727	492	2,401	1,717
	<b>811</b>	<b>607</b>	<b>2,485</b>	<b>1,832</b>

### 30. Income from investments

Dividends on fair value through profit or loss financial assets	132,516	75,883	104,415	52,072
Interest on fair value through profit or loss financial assets	300,568	238,518	280,125	221,779
	<b>433,084</b>	<b>314,401</b>	<b>384,540</b>	<b>273,851</b>

### 31. Investments fair value gains/(losses)

Fair value movement transfer on disposal of investments	202,075	366,265	165,519	267,774
Profit on sale of investments	207,302	366,921	170,392	267,774
Loss on sale of investments	(5,227)	(656)	(4,873)	-
Unrealised fair value movement transfer on investments	(352,750)	280,373	(282,096)	225,180
Unrealised profit	8,743	287,323	6,464	230,704
Unrealised loss	(361,493)	(6,950)	(288,560)	(5,524)
Fair value movement on investments	<b>(150,675)</b>	<b>646,638</b>	<b>(116,577)</b>	<b>492,954</b>

# University of Johannesburg

Consolidated and Separate Financial Statements for the year ended 31 December 2022

## Notes to the Consolidated and Separate Financial Statements

Figures in R `000

### 32. 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
<ul style="list-style-type: none"> <li>• UJInvnt (Pty) Ltd</li> </ul> <p>The Company is a wholly-owned (100%) private holding company of the Shareholder, established for the following purpose:</p> <ul style="list-style-type: none"> <li>* 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</li> <li>* a Company that will hold shareholding on behalf of the Shareholder, and act as the Holding Company for commercial activities.</li> </ul>	31 December	100%	Cnr University and Kingsway Rd, Auckland Park
<ul style="list-style-type: none"> <li>• Resolution Circle (Pty) Ltd</li> </ul> <p>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.</p>	31 December	100% Through UJInvnt (Pty) Ltd	Qoboza Klaaste Building, 20 Heights St, Doornfontein
<ul style="list-style-type: none"> <li>• Million Up Trading (Pty) Ltd</li> </ul> <p>The principal activities of this company is to provide accommodation to students.</p>	31 December	100%	Cnr University and Kingsway Rd, Auckland Park
<ul style="list-style-type: none"> <li>• UJ Properties (Pty) Ltd</li> </ul> <p>The principal activities of this company is engaged in property holding and operates principally in South Africa.</p>	31 December	100%	Cnr Barry Hertzog Rd and Napier Rd, Richmond
<ul style="list-style-type: none"> <li>• University of Johannesburg / City Lodge Educational Trust</li> </ul> <p>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.</p>	30 June	N/A	Cnr University and Kingsway Rd, Auckland Park

# University of Johannesburg

Consolidated and Separate Financial Statements for the year ended 31 December 2022

## Notes to the Consolidated and Separate Financial Statements

Figures in R `000

### Related parties continued...

<ul style="list-style-type: none"> <li>• UJ Trust</li> </ul> <p>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.</p>	31 December	N/A	Cnr University and Kingsway Rd, Auckland Park
<ul style="list-style-type: none"> <li>• UJ Metropolitan Academy Trust</li> </ul> <p>The UJ Metropolitan Academy Trust was setup with the objective to promote, foster and advance the interest of the UJ Metropolitan Academy and of all those who from time to time are students at the Academy by such means as the trustees may in their discretion deem to be expedient and in particular by providing further or better education, academic or recreational facilities at the Academy.</p>	31 December	N/A	Cnr University and Kingsway Rd, Auckland Park
<ul style="list-style-type: none"> <li>• Gradnet Portal (Pty) Ltd</li> </ul> <p>The principal activities of this company is to supply online services to students and alumni of education institutions. Inactive, company in process of liquidation</p>	31 December	100%	Cnr University and Kingsway Rd, Auckland Park
<ul style="list-style-type: none"> <li>• IntelliLAB (Pty) Ltd</li> </ul> <p>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.</p>	31 December	100%	Cnr University and Kingsway Rd, Auckland Park
<ul style="list-style-type: none"> <li>• UJ Entrepreneurship Trust</li> </ul> <p>The overriding purposes and objectives of the Trust are to provide funding on a non-profit basis to small, medium and micro-sized enterprises.</p>	31 December	100%	Cnr University and Kingsway Rd, Auckland Park
<ul style="list-style-type: none"> <li>• Johannesburg Business School (Pty) Ltd</li> </ul> <p>The principal activities of this company is to ensure the trademark of Johannesburg Business School is protected.</p>	31 December	100%	Cnr University and Kingsway Rd, Auckland Park
<ul style="list-style-type: none"> <li>• Naledi Computer Systems (Pty) Ltd</li> </ul> <p>The principal activities of this company is to provide computer related services, products and technology. Inactive, company in process of liquidation.</p>	31 December	80.00%	Forty Four Main Street, Johannesburg

# University of Johannesburg

Consolidated and Separate Financial Statements for the year ended 31 December 2022

## Notes to the Consolidated and Separate Financial Statements

Figures in R `000

### Related parties continued...

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
<ul style="list-style-type: none"> <li>• Praestet (Pty) Ltd</li> </ul> <p>Production of paediatric hospital beds that effectively facilitates treatment of children in hospital. Shareholding still in process of being resolved.</p>	31 December	N/A	N/A	115 Roseways 17 Tyrwhitt Avenue Roseways
<ul style="list-style-type: none"> <li>• University Sports Company (Pty) Ltd</li> </ul> <p>The principal business of the company is to promote High Performance Sport in furtherance of the various sporting activities offered by Member Universities as envisaged in the CMRA. This includes, but will not be limited to, the administration, development and co-ordination of High performances Sport for Member Universities after consultation with the USSA NEC.</p>	31 December	4.00%	N/A	Cnr University and Kingsway Rd, Auckland Park
<ul style="list-style-type: none"> <li>• Verisol (Pty) Ltd</li> </ul> <p>The principal activities of this company is to provide an electronic verification system where academic results and qualifications can be verified.</p>	28 February	10.00%	N/A	17 Quantum Street Techno Park, Stellenbosch

# University of Johannesburg

Consolidated and Separate Financial Statements for the year ended 31 December 2022

## Notes to the Consolidated and Separate Financial Statements

Figures in R `000

### *Related parties continued...*

The University of Johannesburg no longer has an interest in the following companies:

			Shareholding	
	Year End	University of Johannesburg	Non-controlling interest	Principal place of business
<ul style="list-style-type: none"> <li>• EyeThenticate (Pty) Ltd Retina scanning technology. Liquidated during 2022.</li> </ul>	28 February	2021: 43.8%	N/A	Cnr University and Kingsway Rd,
<ul style="list-style-type: none"> <li>• Photovoltaic Intellectual Property (Pty) Ltd The principal activities of this company is to research, develop and manufacture a renewable energy photovoltaic panel. Deregistered during 2022.</li> </ul>	28 February	2021: 38.44%	N/A	Zidela House, 30 Techno Avenue, Techno Park, Stellenbosch
<ul style="list-style-type: none"> <li>• 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. Deregistered during 2022.</li> </ul>	31 December	2021: 50%	N/A	Cnr University and Kingsway Rd, Auckland Park

# University of Johannesburg

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Figures in R `000	Consolidated 2022	Consolidated 2021	University 2022	University 2021
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### *Related parties continued...*

#### 32.1 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

Salaries and other short-term employee benefits

- members of council	929	911	929	911
- management (note 39)	80,040	70,884	80,040	70,884
	<u>80,969</u>	<u>71,795</u>	<u>80,969</u>	<u>71,795</u>

#### Members of Council

Baleni MF	114	100	114	100
Dlamini S	31	43	31	43
Gebhardt CR	-	8	-	8
Gugushe K	90	72	90	72
Hildebrandt D	58	47	58	47
Kakana X	45	55	45	55
Khosa G	22	47	22	47
Khoza M	27	51	27	51
Khumalo M	63	64	63	64
Mateza L	20	19	20	19
Matlala Z	-	41	-	41
Molope WCN	33	-	33	-
Mpunzi LM	18	-	18	-
Ndema Y	86	76	86	76
Rowland W	152	123	152	123
Schreiner JA	18	-	18	-
Tshilande MC	71	64	71	64
Teke MS	80	99	80	99
Van Staden C	-	4	-	4
	<u>929</u>	<u>911</u>	<u>929</u>	<u>911</u>

# University of Johannesburg

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## Notes to the Consolidated and Separate Financial Statements

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### *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
<b>31 December 2022</b>			
Chair of Council	1	80	-
Deputy Chair of Council	1	86	-
Chairs of Committees	6	410	1
Members of Council	8	353	-
<b>31 December 2021</b>			
Chair of Council	2	174	-
Chairs of Committees	6	359	-
Members of Council	8	378	-

## University of Johannesburg

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#### Related parties continued...

##### 32.2 Related party transactions and balances

###### Loans to related parties:

Consolidated	Photovoltaic Intellectual Property (Pty) Ltd		Total	
	2022	2021	2022	2021
Opening balance	-	2,296	-	2,296
Loans advances during year	-	-	-	-
Reallocation/Write off	-	(2,296)	-	(2,296)
Impairment of loan	-	-	-	-
Closing balance	-	-	-	-

###### University

University	Photovoltaic Intellectual Property (Pty) Ltd		A Million Up Investments 76 (Pty) Ltd		Total	
	2022	2021	2022	2021	2022	2021
Opening balance	-	2,296	12,961	12,010	12,961	14,306
Loans advances during year	-	-	-	951	-	951
Loans repayment received	-	-	(5,363)	-	(5,363)	-
Reallocation/Write off	-	(2,296)	-	-	-	(2,296)
Impairment of loan	-	-	-	-	-	-
Closing balance	-	-	7,598	12,961	7,598	12,961

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

###### Investments in related parties:

University	UJmnt (Pty) Ltd		UJ Properties (Pty) Ltd		A Million Up Investments 76 (Pty) Ltd		Total	
	2022	2021	2022	2021	2022	2021	2022	2021
Opening balance	25,749	300	90,636	90,636	85,431	85,431	3,605	179,972
Investments during year	4,550	25,449	-	-	-	-	-	25,449
Closing balance	30,299	25,749	90,636	90,636	85,431	85,431	3,605	205,421

# University of Johannesburg

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Figures in R `000	Consolidated 2022	Consolidated 2021	University 2022	University 2021
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### *Related parties continued...*

#### 32.3 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	-	-	10,421	7,892
from UJ Properties (Pty) Ltd	-	-	10,275	11,043

##### (b) Sale of goods and services

##### Sale of services:

to Resolution Circle (Pty) Ltd	-	-	542	402
to UJ Properties (Pty) Ltd	-	-	4,578	3,545
to University Sports Company (Pty) Ltd	379	143	379	143
to Million Up Trading (Pty) Ltd	-	-	4,609	4,432
to UJInvst (Pty) Ltd	-	-	358	-

##### (c)

Year-end balances arising from purchases of goods/services

##### Payables to related parties:

Resolution Circle (Pty) Ltd	-	-	210	167
UJ Properties (Pty) Ltd	-	-	3,340	1,058

##### (d) Donations to and from related parties:

##### Donation to related parties:

Million Up Trading (Pty) Ltd	-	-	-	40,658
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##### Donation from related parties:

UJ Trust	-	-	-	25,000
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# University of Johannesburg

Consolidated and Separate Financial Statements for the year ended 31 December 2022

## Notes to the Consolidated and Separate Financial Statements

Figures in R `000

### 33. 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.

33.1 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 diversification
Credit risk	Cash and cash equivalents, trade receivables, 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.

### 33.2 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.

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### *Financial risk management continued...*

#### ii) Interest rate risk

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

A 1% change in the interest rate could have a Consolidated R9 786 / University R9 786 (2021: Consolidated R25 453 / University R25 453) interest income influence on an annual basis ie. a Consolidated R9 786 / University R9 786 (2021: Consolidated R25 453 / University R25 453) influence on profit and loss and equity.

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 R9 786/ University R9 786 (2021: Consolidated R25 453 / University R25 453).

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.

A 10% change in the price rate could have a Consolidated R400 000 / University R300 000 (2021: Consolidated R200 000 / University R200 000) influence on an annual basis on profit and loss and equity.

Listed equities	3,848,568	2,251,622	2,989,382	2,011,204
10% change impact	400,000	200,000	300,000	200,000

For the period ended 31 December 2022, 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 R3 848 568 / University R2 989 382 (2022: Consolidated R2 251 622 / University R2 011 204) 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.

# University of Johannesburg

Consolidated and Separate Financial Statements for the year ended 31 December 2022

## Notes to the Consolidated and Separate Financial Statements

Figures in R `000

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### *Financial risk management continued...*

#### **33.3 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 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 40% of the available funds abroad.

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

The University defines a financial instrument as in default, which is fully aligned with the definition of credit impaired, when it meets one or more of the following criteria:

Quantitative criteria:

The borrower is more than 30 days past due on its contractual payments.

Qualitative criteria:

The borrower meets unlikelihood to pay criteria, which indicates the borrower is in significant financial difficulty. These are instances where:

- The borrower is in long-term forbearance.
- The borrower is in breach of financial covenant(s) if applicable.
- It is becoming probable that the borrower will enter bankruptcy.
- Financial assets are purchased or originated at a deep discount that reflects incurred credit losses.
- An active market for that financial asset has disappeared.

The criteria above have been applied to all financial instruments held by the University and are consistent with the definition of default used for internal credit risk management purposes. The default definition has been applied consistently to model the PD, EAD and LGD throughout the University's expected loss calculations.

An instrument is considered to no longer be in default (i.e. to have cured) when it no longer meets any of the default criteria for a consecutive period of three months. This period of three months has been determined based on an analysis which considers the likelihood of a financial instrument returning to default status after cure using different possible cure definitions.

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.

# University of Johannesburg

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Figures in R `000	Consolidated 2022	Consolidated 2021	University 2022	University 2021
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### Financial risk management continued...

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 2022:

Student receivables	912,742	692,180	905,350	688,230
- fully performing	-	-	-	-
- past due but not impaired (4 months overdue)	306,023	157,613	303,331	157,368
- impaired (more than 4 months overdue)	606,719	534,567	602,019	530,862
Less: Provision for impairment	(606,719)	(534,567)	(602,019)	(530,862)
Student receivables – net carrying amount	<b>306,023</b>	<b>157,613</b>	<b>303,331</b>	<b>157,368</b>

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 other trade 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

The provision for impairment is calculated based on the following:

- Outstanding invoices greater than 4 months and invoices handed over to attorneys are impaired
- Outstanding invoices greater than R1 million are assessed for impairment.

# University of Johannesburg

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## Notes to the Consolidated and Separate Financial Statements

Figures in R `000	Consolidated 2022	Consolidated 2021	University 2022	University 2021
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### Financial risk management continued...

Details of the other receivables as at 31 December 2022 are as follows:

Other receivables	168,569	156,309	123,233	111,227
- fully performing	148,393	143,817	103,210	98,964
- past due but not impaired	-	-	-	-
- impaired	20,176	12,492	20,023	12,263
Less: Provision for impairment	(20,176)	(12,492)	(20,023)	(12,263)
Other receivables – net carrying amount	<b>148,393</b>	<b>143,817</b>	<b>103,210</b>	<b>98,964</b>

### Student receivables

At 1 January	534,567	271,424	530,862	271,424
Provision for receivables impaired	142,568	332,721	141,573	329,016
Receivables written off during the year as uncollectable	(70,416)	(69,578)	(70,416)	(69,578)
At 31 December	<b>606,719</b>	<b>534,567</b>	<b>602,019</b>	<b>530,862</b>

### Ageing of provision for impairment

Handed over to collecting agencies – more than two years	210,535	197,590	210,535	197,590
Handed over to collecting agencies – prior year	221,134	336,977	221,134	333,272
4 Months overdue	175,050	-	170,350	-
	<b>606,719</b>	<b>534,567</b>	<b>602,019</b>	<b>530,862</b>

### Other receivables

At 1 January	12,492	8,729	12,263	8,646
Provision for receivables impaired	11,353	5,374	11,322	5,228
Receivables written off during the year as uncollectable	(3,669)	(1,611)	(3,562)	(1,611)
At 31 December	<b>20,176</b>	<b>12,492</b>	<b>20,023</b>	<b>12,263</b>

### Ageing of provision for impairment

Handed over to collecting agencies – 2019	-	569	-	569
Handed over to collecting agencies – 2020	2,388	1,929	2,388	1,929
Handed over to collecting agencies – 2021	6,183	1,671	6,183	1,671
Handed over to collecting agencies – 2022	684	-	684	-
Impaired as at reporting date	10,932	8,323	10,768	8,094
	<b>20,187</b>	<b>12,492</b>	<b>20,023</b>	<b>12,263</b>

# University of Johannesburg

Consolidated and Separate Financial Statements for the year ended 31 December 2022

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### *Financial risk management continued...*

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
<b>Consolidated - 2022</b>				
Gross receivable	481,073	221,134	210,535	912,742
Provision for expected losses	175,050	221,134	210,535	606,719
Expected loss rate	36 %	100 %	100 %	66 %
<b>Consolidated - 2021</b>				
Gross receivable	494,590	121,081	76,509	692,180
Provision for expected losses	336,977	121,081	76,509	534,567
Expected loss rate	68 %	100 %	100 %	77 %
<b>University - 2022</b>				
Gross receivable	473,681	221,134	210,535	905,350
Provision for expected losses	170,350	221,134	210,535	602,019
Expected loss rate	36 %	100 %	100 %	66 %
<b>University - 2021</b>				
Gross receivable	490,640	121,081	76,509	688,230
Provision for expected losses	333,272	121,081	76,509	530,862
Expected loss rate	68 %	100 %	100 %	77 %

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 2023 academic year. It is the University policy that returning students are not allowed to register with outstanding fee debt.

# University of Johannesburg

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### Financial risk management continued...

#### Other receivables

	Current	0 - 30 days	30 - 60 days	60 days +	Total
<b>Consolidated - 2022</b>					
Gross receivable	67,884	7,685	3,835	26,627	106,031
Provision for expected losses	-	-	-	20,176	20,176
Expected loss rate	0 %	0 %	0 %	76 %	19 %
<b>Consolidated - 2021</b>					
Gross receivable	64,744	17,285	7,538	13,513	103,080
Provision for expected losses	-	-	-	12,492	12,492
Expected loss rate	0 %	0 %	0 %	92 %	12 %
<b>University - 2022</b>					
Gross receivable	32,976	7,685	3,835	26,627	71,123
Provision for expected losses	-	-	-	20,023	20,023
Expected loss rate	0 %	0 %	0 %	75 %	28 %
<b>University - 2021</b>					
Gross receivable	28,447	17,285	7,538	13,513	66,783
Provision for expected losses	-	-	-	12,263	12,263
Expected loss rate	0 %	0 %	0 %	91 %	18 %

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.

# University of Johannesburg

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Figures in R `000	Consolidated 2022	Consolidated 2021	University 2022	University 2021
<b>Financial risk management continued...</b>				
Trade receivables				
Counter parties without external credit rating:				
- Current students which will register in 2022.	306,023	157,613	303,331	157,368
These students are still studying and had no defaults in the past.				
The University expects them to pay their outstanding fees during the 2022 registration period.				
This is interest and dividends receivable at year end from the available-for-sale financial assets which are all invested at BB (2021: BB+) rated entities.				
- Other receivables	81,559	90,661	51,100	54,520
Group 1 *	<b>387,582</b>	<b>248,274</b>	<b>354,431</b>	<b>211,888</b>
Cash and cash equivalents				
BB (2021: BB) Rating:				
- Prime South African Bank	2,560,464	2,804,532	2,531,232	2,778,111
	<b>2,560,464</b>	<b>2,804,532</b>	<b>2,531,232</b>	<b>2,778,111</b>
Fair value financial assets				
BB (2021: BB) Rating:				
- Government stocks and bonds	767,147	422,534	688,661	351,411
- Listed stocks and debentures	407,495	536,659	301,890	429,887
- Listed shares all top 40 companies	3,848,568	3,653,944	2,989,382	2,772,375
- Fixed and other deposits, prime South African Banks	379,862	311,752	337,571	281,300
- Endowment policies, top 40 South African insurance companies	28,745	27,219	28,745	27,219

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

# University of Johannesburg

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## Notes to the Consolidated and Separate Financial Statements

Figures in R `000

### Financial risk management continued...

#### 33.4 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 and accounts payable. 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
<b>Consolidated</b>					
<b>31 December 2022</b>					
Borrowings	-	-	-	-	-
Accounts payable	2,031,230	-	-	-	2,031,230
	<b>2,031,230</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,031,230</b>
<b>31 December 2021</b>					
Borrowings	263	-	-	-	263
Accounts payable	1,624,168	-	-	-	1,624,168
	<b>1,624,431</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,624,431</b>
<b>University</b>					
<b>31 December 2022</b>					
Borrowings	-	-	-	-	-
Accounts payable	2,027,614	-	-	-	2,027,614
	<b>2,027,614</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,027,614</b>
	Less than 1 year	Between 1 and 2 years	Between 2 and 5 Years	Over 5 Years	Total
<b>31 December 2021</b>					
Borrowings	263	-	-	-	263
Accounts payable	1,619,690	-	-	-	1,619,690
	<b>1,619,953</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,619,953</b>

# University of Johannesburg

Consolidated and Separate Financial Statements for the year ended 31 December 2022

## Notes to the Consolidated and Separate Financial Statements

Figures in R `000	Consolidated 2022	Consolidated 2021	University 2022	University 2021
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### *Financial risk management continued...*

#### 33.5 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.

The amounts managed as capital by the Group for the reporting periods under review are summarised as follows:

Total equity	9,446,842	9,242,091	8,325,824	8,146,386
Cash and cash equivalents	(2,560,464)	(2,804,532)	(2,531,232)	(2,778,111)
<b>Capital</b>	<b>6,886,378</b>	<b>6,437,559</b>	<b>5,794,592</b>	<b>5,368,275</b>

#### 33.6 Financial instruments by category

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

	Amortised cost	FVPL	Total
<b>Consolidated</b>			
<b>31 December 2022</b>			
<b>Financial assets</b>			
Fair value through profit or loss financial assets	-	5,436,593	<b>5,436,593</b>
Trade and other receivables (excluding prepayments)	454,416	-	<b>454,416</b>
Cash and cash equivalents	2,560,464	-	<b>2,560,464</b>
<b>Financial liabilities</b>			
Trade payables	2,116,518	-	<b>2,116,518</b>
<b>31 December 2021</b>			
Fair value through profit or loss financial assets	-	4,956,992	<b>4,956,992</b>
Trade and other receivables (excluding prepayments)	301,430	-	<b>301,430</b>
Cash and cash equivalents	2,804,532	-	<b>2,804,532</b>
<b>Financial liabilities</b>			
Borrowings	263	-	<b>263</b>
Trade payables	1,706,186	-	<b>1,706,186</b>

# University of Johannesburg

Consolidated and Separate Financial Statements for the year ended 31 December 2022

## Notes to the Consolidated and Separate Financial Statements

Figures in R `000

### Financial risk management continued...

	Amortised cost	FVPL	Total
<b>University</b>			
<b>31 December 2022</b>			
<b>Financial assets</b>			
Fair value through profit or loss financial assets	-	4,351,025	<b>4,351,025</b>
Trade and other receivables (excluding prepayments)	406,541	-	<b>406,541</b>
Cash and cash equivalents	2,531,232	-	<b>2,531,232</b>
<b>Financial liabilities</b>			
Trade payables	2,112,902	-	<b>2,112,902</b>
<b>31 December 2021</b>			
<b>Financial assets</b>			
Fair value through profit or loss financial assets	-	3,867,076	<b>3,867,076</b>
Trade and other receivables (excluding prepayments)	256,332	-	<b>256,332</b>
Cash and cash equivalents	2,778,111	-	<b>2,778,111</b>
<b>Financial liabilities</b>			
Borrowings	263	-	<b>263</b>
Trade payables	1,701,708	-	<b>1,701,708</b>

### 33.7 Fair value estimation

The University classifies its fair value measurements using the following 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).
- Inputs are unobservable inputs for the asset or liability. Unobservable inputs are used to measure fair value to the extent that relevant observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date (level 3).

# University of Johannesburg

Consolidated and Separate Financial Statements for the year ended 31 December 2022

## 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:

	Level 1	Level 2	Total
<b>Consolidated</b>			
<b>31 December 2022</b>			
Fair value through profit or loss financial assets			
- listed shares (market price)	3,848,568	-	3,848,568
- listed stocks and debentures (market price)	407,495	-	407,495
- government stocks and bonds (market price)	767,147	-	767,147
- fixed deposits (income approach)	-	54,422	54,422
- other deposits and loans (income approach)	-	325,440	325,440
- endowment policies (income approach)	-	28,745	28,745
- other investments (income approach)	-	4,776	4,776
	<b>5,023,210</b>	<b>413,383</b>	<b>5,436,593</b>
<b>31 December 2021</b>			
Fair value through profit or loss financial assets			
- listed shares (market price)	3,653,944	-	3,653,944
- listed stocks and debentures (market price)	536,659	-	536,659
- government stocks and bonds (market price)	422,534	-	422,534
- fixed deposits (income approach)	-	56,786	56,786
- other deposits and loans (income approach)	-	254,966	254,966
- endowment policies (income approach)	-	27,219	27,219
Borrowings (fair value)	-	(263)	(263)
	<b>4,613,137</b>	<b>338,708</b>	<b>4,951,845</b>
<b>University</b>			
<b>31 December 2022</b>			
Fair value through profit or loss financial assets			
- listed shares (market price)	2,989,382	-	2,989,382
- listed stocks and debentures (market price)	301,890	-	301,890
- government stocks and bonds (market price)	688,661	-	688,661
- fixed deposits (income approach)	-	54,422	54,422
- other deposits and loans (income approach)	-	283,149	283,149
- endowment policies (income approach)	-	28,745	28,745
- other investments (income approach)	-	4,776	4,776
	<b>3,979,933</b>	<b>371,092</b>	<b>4,351,025</b>

# University of Johannesburg

Consolidated and Separate Financial Statements for the year ended 31 December 2022

## Notes to the Consolidated and Separate Financial Statements

Figures in R `000

### Financial risk management continued...

	Level 1	Level 2	Total
<b>University</b>			
<b>31 December 2021</b>			
Fair value through profit or loss financial assets			
- listed shares (market price)	2,772,375	-	2,772,375
- listed stocks and debentures (market price)	429,887	-	429,887
- government stocks and bonds (market price)	351,411	-	351,411
- fixed deposits (income approach)	-	56,786	56,786
- other deposits and loans (income approach)	-	224,514	224,514
- endowment policies (income approach)	-	27,219	27,219
Borrowings (fair value)	-	(263)	(263)
	<b>3,553,673</b>	<b>308,256</b>	<b>3,861,929</b>

There were no transfers between Level 1 and Level 2 during the year ended 31 December 2022 and 2021.

The fair value of financial instruments traded in active markets are 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 listed shares, listed stocks and debentures and government stocks and debentures classified as trading securities at fair value through profit or loss.

The fair value of financial instruments that are not traded in an active market are determined by using valuation techniques. These valuation techniques are selected based on characteristics of each instrument, with the overall objective to 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. Fixed deposits, other deposits and loans and endowment policies are valued using the Income approach in which future cashflows are discounted to a current present value using market related interest rates. Borrowings are valued at fair value by discounting future cashflows to a current present value using market related interest rates based on the entities credit risk.

# University of Johannesburg

Consolidated and Separate Financial Statements for the year ended 31 December 2022

## Notes to the Consolidated and Separate Financial Statements

Figures in R `000	Consolidated 2022	Consolidated 2021	University 2022	University 2021
<b>34. Cash flows</b>				
<b>Cash flows from operating activities</b>				
<b>Profit for the year</b>	324,985	1,339,165	299,672	1,121,082
<b>Adjustments for:</b>				
– increase in student credit losses provision (note 10)	72,152	259,285	71,157	259,446
– (decrease) in non-student credit losses provision (note 10)	7,684	3,763	7,760	3,617
– student bad debt written off (note 10)	70,416	69,578	70,416	69,578
– non-student bad debt written off (note 10)	3,669	1,611	3,562	1,611
– depreciation (note 6)	101,889	86,116	110,249	94,471
– amortisation (note 7)	1,990	1,611	1,986	1,607
– profit on disposal of property, plant and equipment	(291)	(159)	(291)	(211)
– remeasurement of lease liability	-	-	169	-
– finance income (note 28)	(90,066)	(70,411)	(88,539)	(69,440)
– interest income on investments (note 30)	(300,568)	(238,518)	(280,125)	(221,779)
– finance cost (note 29)	84	115	84	115
– dividends received (note 30)	(132,516)	(75,883)	(104,415)	(52,072)
– movement in Post-employee benefits asset and obligation (note 19)	(72,618)	(29,271)	(72,618)	(29,271)
– impairment (gains)/loss in subsidiaries and other entities	-	9,378	-	(13,072)
– foreign exchange (gains)/losses (note 26)	(332)	(583)	(332)	(583)
– non-cash movement interest on defined benefit plan (note 19)	57,485	39,573	57,485	39,573
– non-cash movement on investments in fair value (note 11)	(479,586)	(861,078)	(483,949)	(626,088)
– non-cash movement on investment in subsidiaries (note 8)	-	(772)	-	(24,722)
– non-cash movement on deferred income (note 18)	(74,786)	(88,168)	(74,786)	(88,168)
– non-cash movement on provisions	153,728	101,548	164,544	90,730
– non-cash movement on borrowings (note 17)	(263)	(533)	(263)	(533)
<b>Changes in working capital:</b>				
– receivables and prepayments (note 10)	(306,575)	(271,457)	(302,772)	(241,214)
– trade and other payables (note 15)	410,317	488,856	411,194	484,690
– inventory (note 9)	1,475	(9,854)	1,607	(9,841)
– provisions (note 14)	(179,272)	(125,073)	(179,272)	(125,071)
– deferred income (note 18)	(607)	-	(607)	-
– short term deposits (note 13)	-	820,000	-	820,000
– student deposits and income received in advance (note 17)	(37,303)	71,560	(24,208)	58,834
	<b>(468,909)</b>	<b>1,520,399</b>	<b>(412,292)</b>	<b>1,543,289</b>

# University of Johannesburg

Consolidated and Separate Financial Statements for the year ended 31 December 2022

## Notes to the Consolidated and Separate Financial Statements

Figures in R `000	Consolidated 2022	Consolidated 2021	University 2022	University 2021
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### Cash flows continued...

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

Profit on disposal (note 6)	291	211	291	211
Net book amount (note 6)	403	2,882	403	2,882
Proceeds from disposal	<b>694</b>	<b>3,093</b>	<b>694</b>	<b>3,093</b>

### Net Debt Reconciliation

Cash and cash equivalents	2,560,464	2,804,532	2,531,232	2,778,111
Borrowings - repayable within one year	-	(263)	-	(263)
	<b>2,560,464</b>	<b>2,804,269</b>	<b>2,531,232</b>	<b>2,777,848</b>

	Other Assets Cash	Liabilities from financing activities		
		Borrowings due within 1 year	Borrowings due after 1 year	Total
<b>Consolidated</b>				
<b>Net debt as at 1 January 2021</b>	1,144,530	-	(796)	1,143,734
Cash flows	1,660,002	(263)	796	1,660,535
<b>Net debt as at 31 December 2021</b>	2,804,532	(263)	-	2,804,269
Cash flows	(244,068)	263	-	(243,805)
<b>Net debt as at 31 December 2022</b>	<b>2,560,464</b>	<b>-</b>	<b>-</b>	<b>2,560,464</b>
<b>University</b>				
<b>Net debt as at 1 January 2021</b>	1,125,866	-	(796)	1,125,070
Cash flows	1,652,245	(263)	796	1,652,778
<b>Net debt as at 31 December 2021</b>	2,778,111	(263)	-	2,777,848
Cash flows	(246,879)	263	-	(246,616)
<b>Net debt as at 31 December 2022</b>	<b>2,531,232</b>	<b>-</b>	<b>-</b>	<b>2,531,232</b>

### 35. Commitments

Commitments – contracted	249,202	263,223	249,202	263,223
Commitments – approved, not contracted for	92,241	132,332	92,241	132,332

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

# University of Johannesburg

Consolidated and Separate Financial Statements for the year ended 31 December 2022

## Notes to the Consolidated and Separate Financial Statements

Figures in R `000	Consolidated 2022	Consolidated 2021	University 2022	University 2021
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### 36. Contingencies

#### The City of Johannesburg

The University has contingent liabilities in respect of legal claims arising in the ordinary course of business from billing disputes with the City of Johannesburg. This includes meter reading disputes, rate disputes, service charges and interest disputes. It is not anticipated that any material liabilities will arise from the contingent liabilities.

Incorrect allocation of charges	60,374	9,607	60,374	9,607
Incorrect charges to be claimed back	(52,847)	(7,267)	(52,847)	(7,267)
<b>Net contingent liability</b>	<b>7,527</b>	<b>2,340</b>	<b>7,527</b>	<b>2,340</b>

### 37. Going concern

The University continues to adopt the going concern basis in the preparation of the consolidated financial statements. The University's forecasts and projections, taking account of reasonably possible changes in operating circumstances, show that the University will be able to operate within its current financing in the medium term. This is evidenced by financial performance for the 2022 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. This is further evidenced by the growth in the University's reserves position.

Despite continuing economic uncertainty resulting from the Covid-19 pandemic and other geopolitical and macroeconomic factors, the university continues to attain a net surplus position for the 2022 year, with this surplus trend being projected into the next five years as modelled per the UJ Financial Sustainability Model. The liquidity and solvency ratios are also positive, although a slight reduction from the prior year is noted. This is however still considered more favourable when compared to the 2022 budgeted expectations. All the liquidity and solvency indicators point to the University's ability of being able to meet its obligations into the foreseeable future.

### 38. Events after balance sheet

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

## University of Johannesburg

Consolidated and Separate Financial Statements for the year ended 31 December 2022

### Notes to the Consolidated and Separate Financial Statements

Figures in R '000

#### 39. Executive Remuneration 2022

Designation	Name	Salary	Allowances	Employer Contributions	Total	Leave Days sold	Merit and Other Payments	Total
Vice-Chancellor & Principal	T Marwala	4,348,815	232,384	494,421	5,075,620	186,910	3,989,216	9,251,745 *
Registrar	I C Burger	2,460,900	57,010	436,498	2,954,408	118,490	1,177,152	4,250,050
Deputy Vice-Chancellor Research & Internationalisation	S Sinha	2,904,252	430,817	393,970	3,729,039	-	1,074,859	4,803,898
Chief Financial Officer	N Mamorare	2,973,996	86,569	322,862	3,383,427	-	1,220,866	4,604,293
Executive Dean Faculty of Law	P W Domingo	2,056,032	23,137	218,974	2,298,143	-	404,989	2,703,132
Senior Executive Director	NY Vukuza	2,701,258	74,797	389,383	3,165,439	-	1,097,971	4,263,410
Executive Dean College of Business & Economics	D Van Lill	2,387,948	31,465	323,972	2,743,386	343,908	683,965	3,771,259
Chief Operating Officer	M A Ralephata	2,570,478	31,149	368,919	2,970,546	-	900,602	3,871,149
Executive Dean Faculty of Engineering & the Built Environment	D Mashao	2,059,875	36,244	293,112	2,389,231	-	506,576	2,895,807
Executive Dean Faculty of Health Sciences	S Khan	1,843,242	46,250	199,177	2,088,669	-	721,876	2,810,545
Executive Dean Art, Design & Architecture	S B Laurent	1,864,773	43,817	196,168	2,104,758	-	101,985	2,206,743
Executive Dean Faculty of Humanities	K Naidoo	1,785,606	46,250	254,878	2,086,735	-	513,986	2,600,721
Vice-Chancellor & Principal ; Deputy Vice-Chancellor Academic	L G Mpodi	2,860,336	183,999	439,595	3,483,931	252,788	1,191,114	4,927,833
Executive Dean Faculty of Science	D Meyer	2,175,755	20,765	311,386	2,507,906	-	706,989	3,214,895
Chief Information Officer	KF Sibanda	1,844,295	20,765	199,341	2,064,401	-	630,953	2,695,354
Executive Director Expenditure	S M Makinta	1,838,861	75,259	269,546	2,183,667	-	502,058	2,685,725
Executive Director Financial Governance & Revenue	L Riba	1,786,626	20,765	255,685	2,063,077	-	580,545	2,643,622
Executive Director Human Capital Management	T L Kwinana	1,678,918	40,438	267,316	1,986,672	159,481	711,880	2,858,033
Executive Director Library and Information Centre	KM Frahm-Arp	1,841,896	66,986	200,894	2,109,776	-	503,566	2,613,342
Executive Director Facilities Management	Al Nel	1,757,577	21,259	289,367	2,068,203	558,442	505,252	3,131,898
Executive Dean: Faculty of Education	N F Peterson	1,736,082	64,368	279,214	2,079,664	-	390,649	2,470,313 **
Executive Director: Research & Innovation	N M Luruli	1,302,453	50,399	139,564	1,492,415	-	262,451	1,754,866 ***
Executive Dean: College for Business & Economics	L Nksalaze	590,224	132,008	83,417	805,649	-	37,373	843,022 ****
General Counsel	A L Pretorius	1,645,204	9,000	175,655	1,829,859	-	338,884	2,168,743 *****
		<b>51,015,403</b>	<b>1,845,902</b>	<b>6,803,315</b>	<b>59,664,620</b>	<b>1,620,020</b>	<b>18,755,756</b>	<b>80,040,396</b>

University of Johannesburg

Consolidated and Separate Financial Statements for the year ended 31 December 2022

Notes to the Consolidated and Separate Financial Statements

Figures in R '000

Executive Remuneration 2022 continued...

\* Remuneration of the Vice Chancellor and Principal

Annual Remuneration	2,889,495
Accommodation Fringe Benefit	1,190,360
Non Pensionable Salary	1,459,319
Merit and other payments	3,712,571
Total Salary	9,251,745

\*\* N F Peterson - Appointed 01 January 2022  
\*\*\* N M Luruli - Appointed 01 April 2022  
\*\*\*\* L Ntsalaze - Appointed 01 September 2022  
\*\*\*\*\* A L Pretorius - Appointed 01 April 2022

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## Notes to the Consolidated and Separate Financial Statements

Figures in R '000

### Executive Remuneration 2022 continued...

#### Executive Remuneration 2021

Designation	Name	Salary	Allowances	Employer Contributions	Total	Leave Days sold	Merit and Other Payments	Total
Vice-Chancellor & Principal	T Marwala	4,167,779	97,436	381,786	4,647,001	178,764	1,473,811	6,299,576 *
Registrar	I C Burger	2,544,718	20,765	368,263	2,933,746	112,936	749,057	3,795,740
Deputy Vice-Chancellor Academic	A Parekh	2,036,466	32,046	295,974	2,364,486	550,642	175,925	3,091,054 **
Deputy Vice-Chancellor Research & Internationalisation	S Sinha	2,787,159	31,149	322,359	3,140,667	-	1,140,274	4,280,941
Chief Financial Officer	N Mamorare	2,851,711	31,140	257,887	3,140,738	-	1,217,878	4,358,616
Chief Operating Officer	A Swart	2,884,138	31,149	414,972	3,330,259	813,212	1,382,876	5,526,347 ***
Executive Dean Faculty of Law	P W Domingo	1,642,677	17,305	148,990	1,808,971	-	-	1,808,971 ****
Senior Executive Director	NY Vukuza	2,593,094	24,000	322,397	2,939,491	-	791,012	3,730,503
Executive Dean College of Business & Economics	D Van Lill	2,291,241	31,465	266,239	2,588,946	99,673	483,731	3,172,349
Designate Chief Operating Officer	M A Ralephata	800,212	10,383	99,788	910,383	-	-	910,383 *****
Executive Dean Faculty of Education	S J Gravett	2,042,862	50,765	324,508	2,418,136	37,243	831,957	3,287,336
Executive Dean Faculty of Engineering & the Built Environment	D Mashao	1,977,393	20,765	245,847	2,244,006	-	111,289	2,355,295
Executive Dean Faculty of Health Sciences	S Khan	1,767,451	20,765	159,835	1,948,051	-	491,667	2,439,718
Executive Dean Art, Design & Architecture	S B Laurent	446,961	95,191	40,539	582,691	-	-	582,691 *****
Executive Dean Faculty of Humanities	K Naidoo	1,714,107	20,765	213,113	1,947,985	-	387,219	2,335,204
Deputy Vice-Chancellor Academic	L G Mpedi	2,413,654	31,827	320,730	2,766,211	120,896	716,243	3,603,350 *****
Executive Dean Faculty of Science	D Meyer	2,088,633	20,765	259,678	2,369,076	-	549,935	2,919,011
Chief Information Officer	KF Sibanda	1,768,461	20,765	159,926	1,949,152	-	506,970	2,456,122
Executive Director Expenditure	S M Makinta	1,763,067	74,765	225,914	2,063,747	-	486,995	2,550,742
Executive Director Financial Governance & Revenue	L Riba	1,715,086	20,765	213,235	1,949,086	-	451,601	2,400,687
Executive Director Human Resources	T L Kwinana	1,736,378	20,765	223,044	1,980,186	82,607	458,881	2,521,675
Executive Director Library and Information Centre	KM Frahm-Arp	1,766,241	19,590	162,144	1,947,975	-	379,379	2,327,354
Executive Director Operations	AL Nel	1,687,315	20,765	241,007	1,949,086	60,048	371,310	2,380,444
Executive Director Research & Innovation	C B Nonkwelo	1,475,486	17,305	183,335	1,676,126	-	73,842	1,749,968 *****
		<b>48,962,291</b>	<b>782,402</b>	<b>5,851,510</b>	<b>55,596,202</b>	<b>2,056,021</b>	<b>13,231,852</b>	<b>70,884,075</b>

## University of Johannesburg

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### Notes to the Consolidated and Separate Financial Statements

Figures in R `000

#### Executive Remuneration 2022 continued...

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	1,746,414
Accommodation Fringe Benefit	1,016,010
Non Pensionable Salary	1,405,355
<b>Total Salary</b>	<b>4,167,779</b>

\*\* A Parekh - Terminated 31 August 2021  
 \*\*\* A Swart - Terminated 31 December 2021  
 \*\*\*\* P W Domingo - Appointed 01 March 2021  
 \*\*\*\*\* M A Ralephata - Appointed 01 September 2021  
 \*\*\*\*\* S B Laurent - Appointed 01 October 2021  
 \*\*\*\*\* L G Mpedi - Designate DVC 1 Jan 2021 - 31 August 2021. Appointed DVC 01 September 2021  
 \*\*\*\*\* C B Nonkwelo - Terminated 31 October 2021

# University of Johannesburg

Consolidated and Separate Financial Statements for the year ended 31 December 2022

## 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 accommodation - restricted	Total 2022	Total 2021
<b>Consolidated</b>							
<b>Total income</b>		<b>5,229,294</b>	<b>505,977</b>	<b>5,735,271</b>	<b>225,776</b>	<b>5,961,047</b>	<b>6,584,639</b>
<b>Recurring items</b>		<b>5,229,003</b>	<b>505,977</b>	<b>5,734,980</b>	<b>225,776</b>	<b>5,960,756</b>	<b>6,584,428</b>
State appropriations – subsidies and grants	21	2,633,372	-	2,633,372	-	2,633,372	2,700,186
Tuition and other fee income	22	2,045,865	21,573	2,067,438	222,789	2,290,227	2,172,675
Income from contracts	23	48,803	273,780	322,583	-	322,583	327,692
For research	24	44,150	271,096	315,246	-	315,246	321,068
For other activities	24	4,653	2,684	7,337	-	7,337	6,624
Sales of goods and services	24	80,600	113,357	193,957	561	194,518	210,635
Private gifts and grants	24	95,197	52,384	147,581	-	147,581	141,790
<b>Sub-total</b>		<b>4,903,837</b>	<b>461,094</b>	<b>5,364,931</b>	<b>223,350</b>	<b>5,588,281</b>	<b>5,552,978</b>
Income from investments	31	352,695	79,706	432,401	683	433,084	314,401
FV movements	32	(114,298)	(36,377)	(150,675)	-	(150,675)	646,638
Finance income	29	86,769	1,554	88,323	1,743	90,066	70,411
<b>Non-recurring items</b>							
Profit/(loss) on disposal of PPE	24	291	-	291	-	291	211

## University of Johannesburg

Consolidated and Separate Financial Statements for the year ended 31 December 2022

### 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 accommodation - restricted	Total 2022	Total 2021
<b>Total expenditure</b>		<b>5,013,645</b>	<b>439,431</b>	<b>5,453,076</b>	<b>182,986</b>	<b>5,636,062</b>	<b>5,245,474</b>
<b>Recurring items</b>		<b>4,969,688</b>	<b>437,722</b>	<b>5,407,410</b>	<b>182,203</b>	<b>5,589,613</b>	<b>5,224,091</b>
Personnel	25	3,273,598	161,002	3,434,600	31,837	3,466,437	3,215,691
Academic professional		1,752,031	86,168	1,838,199	17,039	1,855,238	1,721,038
Other personnel		1,521,567	74,834	1,596,401	14,798	1,611,199	1,494,653
Other current operating expenses	27	1,343,892	117,006	1,460,898	150,257	1,611,155	1,450,874
Depreciation	6	88,961	12,828	101,789	100	101,889	86,116
Amortisation of software	7	1,969	13	1,982	8	1,990	1,611
Bursaries awarded	26	260,457	146,873	407,330	1	407,331	459,814
<b>Sub-total</b>		<b>4,968,877</b>	<b>437,722</b>	<b>5,406,599</b>	<b>182,203</b>	<b>5,588,802</b>	<b>5,214,106</b>
Finance costs	30	811	-	811	-	811	607
Impairment (gains)/losses	28	-	-	-	-	-	9,378
<b>Non-recurring items</b>							
Capital expenditure expensed	27	43,957	1,709	45,666	783	46,449	21,383
<b>Profit/(Loss) for the year</b>		<b>215,649</b>	<b>66,546</b>	<b>282,195</b>	<b>42,790</b>	<b>324,985</b>	<b>1,339,165</b>
Other comprehensive income							
Actuarial gains and losses on defined benefit plans	20	-	-	-	-	-	141,041
<b>Total comprehensive income for the year</b>		<b>215,649</b>	<b>66,546</b>	<b>282,195</b>	<b>42,790</b>	<b>324,985</b>	<b>1,480,206</b>

## University of Johannesburg

Consolidated and Separate Financial Statements for the year ended 31 December 2022

### 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 accommodation - restricted	Total 2022	Total 2021
<b>University</b>							
<b>Total income</b>		<b>5,259,996</b>	<b>371,696</b>	<b>5,631,692</b>	<b>225,776</b>	<b>5,857,468</b>	<b>6,334,485</b>
<b>Recurring items</b>		<b>5,259,705</b>	<b>371,696</b>	<b>5,631,401</b>	<b>225,776</b>	<b>5,857,177</b>	<b>6,334,274</b>
State appropriations – subsidies and grants	21	2,633,372	-	2,633,372	-	2,633,372	2,700,186
Tuition and other fee income	22	2,045,865	1,470	2,047,335	222,789	2,270,124	2,160,624
Income from contracts		49,513	273,780	323,293	-	323,293	327,945
For research	23	44,860	271,096	315,956	-	315,956	321,321
For other activities	24	4,653	2,684	7,337	-	7,337	6,624
Sales of goods and services	24	110,592	15,153	125,745	561	126,306	142,484
Private gifts and grants	24	95,196	52,384	147,580	-	147,580	166,790
<b>Sub-total</b>		<b>4,934,538</b>	<b>342,787</b>	<b>5,277,325</b>	<b>223,350</b>	<b>5,500,675</b>	<b>5,498,029</b>
Income from investments	31	354,975	28,882	383,857	683	384,540	273,851
FV movements	32	(116,577)	-	(116,577)	-	(116,577)	492,954
Finance income	29	86,769	27	86,796	1,743	88,539	69,440
<b>Non-recurring items</b>							
Profit/(loss) on disposal of PPE	24	291	-	291	-	291	211

## University of Johannesburg

Consolidated and Separate Financial Statements for the year ended 31 December 2022

### 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 accommodation - restricted	Total 2022	Total 2021
<b>Total expenditure</b>		<b>5,044,640</b>	<b>330,170</b>	<b>5,374,810</b>	<b>182,986</b>	<b>5,557,796</b>	<b>5,213,403</b>
<b>Recurring items</b>		<b>5,000,683</b>	<b>328,816</b>	<b>5,329,499</b>	<b>182,203</b>	<b>5,511,702</b>	<b>5,192,285</b>
Personnel	25	3,273,598	110,115	3,383,713	31,837	3,415,550	3,162,496
Academic professional		1,752,031	58,934	1,810,965	17,039	1,828,004	1,692,568
Other personnel		1,521,567	51,181	1,572,748	14,798	1,587,546	1,469,928
Other current operating expenses	27	1,361,925	61,919	1,423,844	150,257	1,574,101	1,485,137
Depreciation	6	100,250	9,899	110,149	100	110,249	94,471
Amortisation of software	7	1,968	10	1,978	8	1,986	1,607
Bursaries awarded	26	260,457	146,873	407,330	1	407,331	459,814
<b>Sub-total</b>		<b>4,998,198</b>	<b>328,816</b>	<b>5,327,014</b>	<b>182,203</b>	<b>5,509,217</b>	<b>5,203,525</b>
Finance costs	30	2,485	-	2,485	-	2,485	1,832
Impairment (gains)/losses	28	-	-	-	-	-	(13,072)
<b>Non-recurring items</b>							
Capital expenditure expensed	27	43,957	1,354	45,311	783	46,094	21,118
<b>Profit/(Loss) for the year</b>		<b>215,356</b>	<b>41,526</b>	<b>256,882</b>	<b>42,790</b>	<b>299,672</b>	<b>1,121,082</b>
Other comprehensive income							
Actuarial gains and losses on defined benefit plans	20	-	-	-	-	-	141,041
<b>Total comprehensive income for the year</b>		<b>215,356</b>	<b>41,526</b>	<b>256,882</b>	<b>42,790</b>	<b>299,672</b>	<b>1,262,123</b>

Honesty

WE WILL CONDUCT OUR  
BUSINESS WITH INTEGRITY  
BY BEING TRUSTWORTHY,  
LOYAL, FAIR, AND SINCERE.

we make a difference

ability

WE WILL BE ACCOUNTABLE AS INDIVIDUALS AND  
COLLECTIVELY AS THE LEADERSHIP OF THE  
UNIVERSITY OF JOHANNESBURG FOR OUR ETHICAL CONDUCT  
THROUGH COMPLIANCE WITH THE UNIVERSITY POLICIES,  
RULES, REGULATIONS AND RELATED LEGISLATION.

WE STRIVE TO CREATE A BETTER FUTURE

WE HONOUR OUR COMMITMENTS

ETHICAL FOUNDATION

GENDER, SEXUALITY, CREED, OR ANY OTHER PREJUDICE

We are passionate about learning

responsibility for keeping our campuses clean

We build an environment that  
facilitates open, respectful  
and meaningful dialogue

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WE WILL CONDUCT OUR BUS  
IS MORALLY RIGHT, HONOUR