UNIVERSITY OF JOHANNESBURG

2020/21 ANNUAL REPORT

The Future Reimagined


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OF
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2021
ANNUAL
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Reimagined


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Financial Sustainability

OVERVIEW

The Chief Financial Officer is responsible for the executive management of finance at the University of Johannesburg. The portfolio comprised the following divisions during the year under review:

- Financial Governance and Revenue
- Finance Expenditure
- Revenue Administration, which comprises Student Finance and Institutional Fundraising.

This section of the Annual Report focuses on the following:

- Policy framework
- Governance framework
- Financial risks and risk management
- Financial performance

POLICY FRAMEWORK

In addition to the national legislation regulating financial governance, the following policy frameworks have reference within the institution:

- National legislation and national/international directives and standards on financial management.
- UJ Financial Strategy and Five-year Plan, approved by Council.
- Financial policies and procedures.
- Fundraising Policy.
- Policy on Student Fee Structure.
- Financial and Contract Delegation of Authority.
- National Student Financial Aid Scheme Rules and Regulations.
- Risk Management Policy.
- Procurement policies and procedures.

GOVERNANCE FRAMEWORK

The following Council committees play a major role in oversight of the University's financial governance:

- Executive Committee of Council (Exco)
- Audit and Risk Committee of Council (ARCC)
- Financial Sustainability Committee of Council (FSCC)
- Investment Committee of Council (ICC)

In addition to the Council committees, the Management Executive Committee (MEC) oversees executive management related to the management of finance. The MEC Risk Management Committee (MEC RMC) is chaired by the Chief Financial Officer (refer to Statement on Risk Management, Section Four in this Annual

Report). In addition to this, the MEC Tender Committee is responsible for the consideration of tenders, in accordance with the tender policies and procedures, the procurement policies and procedures and the financial and contract delegation of authority approved by Council.

The MEC Commercialisation Committee assists MEC and Council in executing governance in the innovation and commercial structures in accordance with the vision, mission, and core values of the University, the approved strategic objectives and the principles of corporate governance, within the legal and management framework of the University.

The following divisions reported to the Chief Financial Officer during the year under review:

- Financial Governance and Revenue.
- Finance Expenditure.
- Revenue Administration, which comprises Student Finance and Institutional Fundraising.

FINANCIAL RISKS AND RISK MANAGEMENT

The following material risks related to financial management and operations of this portfolio were reflected on the Institutional Risk Register in 2021, as monitored by MEC and Council:

- Financial sustainability of the University, influenced by:
  - Poor economic growth and growing unemployment, exacerbated by the COVID-19 pandemic and the state of the South African economy, thus resulting in a general decline in funding available from the government for subsidies and other grants and increased levels of irrecoverable student debt.
  - Uncertainty as to the level of future subsidy allocations as a result of the increase in the number of students qualifying for NSFAS nationally and the impact of COVID-19 on University enrolments and research productivity.
  - Decline in externally generated funding for scholarships and contract research.
  - Suboptimal occupancy of University residences as a result of the COVID-19 lockdown and external competition.
  - Inadequate funding for the missing middle and increasing demand for free education resulting in an increasing trend of non-payment of fees by this group of students.
  - Continued uncertainty around university fee increases into the future.
  - Increases in staffing costs resulting from the scarcity of and high demand for qualified academic and professional staff, as well as the organised labour demands for salary adjustment.
  - Ageing infrastructure.
- Stringent cost control measures and continuous exploration of alternative sources of income and student funding are in place to mitigate the financial sustainability risk.
- The growing number of students qualifying for NSFAS funding nationally, and the inefficiencies in NSFAS administration processes that result in delayed communication of funding decisions and disbursement of allowances to students, expose the University to the risk of student protest. We continue to engage with NSFAS and the student body to mitigate this risk.
- The COVID-19 pandemic has brought about a number of challenges for the global, national and University community. These include liquidity and going concern status of universities. We continue to closely monitor these and put in place mitigating controls. The pandemic has also presented an opportunity to test institutional business continuity plans, which have responded very positively to the crisis.

Financial sustainability of the University

The financial sustainability of the University is one of the key focus areas of Council and the Management Executive Committee (MEC). The risks listed in the paragraph above affect the financial sustainability of the University over the long term. These risks are actively managed through the MEC, FSCC, ARCC and the ICC. Strategies adopted to manage these risks include:

- A five-year financial strategy approved by Council. This is reviewed quarterly and amended as necessary.
- An annual budget that is based on the University's strategic objectives and the five-year financial strategy, approved by Council.

- A strategy to increase the University's third-stream income.
- A student debt collection strategy aimed at maximising the collection of outstanding debt.
- Sound investment strategy aimed at ensuring returns that will sustain current reserves and fund capital investment, capital replacement and the necessary maintenance of the assets and facilities.
- Various strategies to raise external funding across all faculties and departments.
- Thorough evaluation of all capital projects to ensure affordability of initial outlay and subsequent maintenance and utility costs.

Financial sustainability risks associated with student funding

A critical dependency for the University's financial sustainability is an appropriate annual tuition and residence fee increase and an adequate state subsidy, which will allow the University to provide quality teaching and learning, research and community service. The government has made additional funding available through the block grant from the Department of Higher Education and Training (DHET). However, this increase is less than the higher education inflation and, coupled with the less than optimal increase in fees, translates into a decline in subsidies in real terms.

The growing number of students qualifying for NSFAS nationally, the increase in national unemployment figures and the poor economic growth pose a significant risk to the level of future government funding allocations. The uncertainty extends to DHET block and earmarked grants, National Student Financial Aid Scheme (NSFAS) bursaries as well as National Research Foundation (NRF) grants and bursaries.

The above uncertainties will affect our ability to fund our activities in the medium to long term. Several strategies have been put in place to mitigate this risk and reduce the level of reliance on state funds, which include increased external fundraising, increased focus on continuing education programme offerings and more stringent cost containment measures.

Our fees increased by 4,7% and 6,7% for tuition and residences, respectively. This is in line with the recommendations of the Minister of Higher Education Science and Technology. DHET continued to provide the gap grant funding for qualifying students in the year under review, with this grant now included in the block grant. This amount was applied towards reducing 2021 student debt for qualifying students and will phase out from 2022.

The Minister instituted a task team in 2019 to advise on the framework for future tuition and residence fee increases for universities. The project is ongoing and as such we still await its conclusion and the Minister's announcement in this regard.

Student debt

The University is acutely aware of the economic status of our students and their parents. The COVID-19 pandemic as well as the uncertainty as to the fee landscape continued to negatively impact our ability to collect outstanding student debt.

While student debt has increased significantly over the past five years, particular for students who are no longer registered with the University, we are encouraged that there has been an improvement in collections from cash paying students in 2021. The total outstanding debt as at year-end amounted to R575 million, with non-registered students making up R265 million of this.

Collecting student debt on time remains a challenge with students tending to postpone the settlement of outstanding debt until registration for the next year. It is a priority of the Finance Division, however, to ensure that all fees raised are collected. In order to ensure this, the University employs various strategies to collect the outstanding amounts; one of these is to manage our NSFAS allocation effectively, to ensure that we assist as many students as possible with this resource.

We also actively engage our bursary providers to obtain more resources to assist students. The University also provides, out of its own funds, various forms of assistance for both academically and financially deserving students. Although we explore all possibilities to assist students, it is a fact that we do have to use normal collection strategies to collect a certain portion of our book. To this end, we have clearly laid out guidelines, both for our staff and for our collection agencies.

However, the announcement by the Minister that universities should refrain from withholding academic records of students with outstanding fees limits our ability to collect fees from those students who can afford to pay. We will continue to manage this risk actively.

Inadequate student funding

UJ received an allocation of R2.5 billion from NSFAS in 2021, covering tuition fees, accommodation, meals, books, and other living allowances for 26 612 students. This is an increase of 13% on the prior year.

Notwithstanding the increased funding allocation, the timing of communication of funding decisions continues to be a challenge administratively and poses a risk to our enrolments and student debt recovery. NSFAS withdrew funding for a considerable number of students during the year due to students not meeting the income threshold, or students exceeding the number of years that can be funded. The timing of these NSFAS verifications poses a significant risk for the University as these students are unlikely to settle their debt once the funding is withdrawn. We continue to engage and offer assistance to NSFAS to find sustainable solutions to this and other administrative inefficiencies.

Despite the state interventions in place, we still have a significant number of students who struggle to settle their fees. In response to this, and as in the past years, the University designated R20 million of its operating budget for the SRC Trust Fund, which paid for registration fees for 3 945 students who would otherwise not have been able to study in 2021. This amount was further complemented with funds raised through the institutional Fundraising Department. Despite the tough economic climate, the University still raised an astounding R357 million (2020: R195 million), with a steady increase in funds generated from corporate South Africa and internationally.

The University continues to invest heavily in providing funded access for students from our most vulnerable communities, with 13% of our operating budget allocated to financial assistance for low income and missing middle students. In response to the COVID-19 impact, further funding was made available from our operating budget this year to provide all students with data bundles to ensure they would be able to access the online classes and learning material. Funding was also prioritised for electronic learning devices for students who could not secure their own.

Increase in staffing costs

The scarcity of and high demand for qualified academic and professional staff pose a significant risk for the financial sustainability of universities nationwide. To stay competitive, it is important for the University to invest in appropriate strategies to retain its staff, and to balance this with affordability is critical to our long-term financial sustainability.

Ageing infrastructure

It is important to note that the UJ Council also has an obligation to maintain the assets and infrastructure at a level required to provide a quality service. The decline in funding allocation and reprioritisation of funding received by DHET has meant that no Infrastructure Efficiency Grant funding was made available to universities in 2021. This has severely decreased resources available to maintain our infrastructure and requires urgent attention.

Our focus on maintaining an adequate level of reserves on which investment income is earned, is required to fund the expenditure on infrastructure maintenance. The uncertainties above pose a risk of the University not being financially sustainable at both the operating and reserve levels.

General financial risk management

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

The Finance Division, under policies approved by ARCC, which provides written principles for overall risk management, carries out financial risk management. ARCC 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. ARCC is assisted in its overseeing role by internal audit, which undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to ARCC.

Credit risk

Credit risk is the risk of financial loss to the University if a client, student or counterparty to a financial transaction fails to meet the University's receivables from students and clients. Owing to the wide spread of our students and clients, the University has no significant concentration of credit risk arising from its contractual obligations.

In a higher education environment, it is not possible to manage credit risk ex ante at the level of individual transactions with students. Creditworthiness cannot be assessed during registration. The credit risk is managed ex post by means of effective debt collection, including the sensible application of the withholding of examination results, while we still provide these to potential employers and sponsors, and financial exclusions, as well as the use of debt collection attorneys and agencies. As already indicated above, this risk is ever-increasing as students expect free tertiary education.

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 to clients with an appropriate credit history. It does not insure its students or other receivables.

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 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. The liquidity risk is minimised by weekly cash-flow projections and effective working capital management.

The University's liquidity risk consists mainly of the outstanding student and other receivable amounts, borrowings, accounts payable, accrued liabilities, student deposits received and employment benefits. The liquidity risk is managed 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 guaranteed state subsidy also assists in managing this risk.

Currency risk

The University does not operate internationally but, on occasion, there are foreign-currency denominated purchases. The University is exposed to foreign currency risk when purchases are denominated in a currency other than South African rand. Management has introduced a policy that requires that all material foreign currency transactions 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.

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 for 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 University's investment policy determines that the University's fund managers manage all long-term investments, including capital and money market investments, 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 Finance Committee of Council, with the assistance of the Investment Committee, oversees its long-term investments.

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 risk.

Operational risk

Operational risk is actively managed. The University maintains systems of internal control over income and expenditure, financial reporting and safeguarding of assets against unauthorised acquisition and use or disposition of such assets. Internal auditors monitor the effectiveness of the internal control systems and report findings and recommendations to the MEC and ARCC. Corrective steps are taken to address control deficiencies and other opportunities for improving the systems, when identified. Council, operating through its ARCC, oversees the financial reporting process. Marketing and branding strategies are in place, however, to ensure consistent student intake, in accordance with the approved Enrolment Plan.

FINANCIAL PERFORMANCE

Despite operating in an environment mired with funding constraints, we entered this past financial year with strong momentum. We managed our budgets effectively, well on track to achieve our approved operating budget of a R100 million surplus. We continued being deliberate about achieving maximum cost savings and external income generation in the year to cushion the impact of the uncertainty on future income generation. This has resulted in a strong financial position, with enhanced liquidity and cash flow profile.

The University showed good performance on budget cost centres and achieved an operating surplus of R324.8 million against a projected operating surplus of R100 million. The income generated during the year exceeded our budget by 3% (budget: R4.789 billion vs actual R4.914 billion). This is largely due to the tuition fee that came in much higher than budget as a result of new programmes introduced in the year; as well as higher than budgeted investment income resulting from improved liquidity and investment strategies. Our residence fee income was lower than budget as a result of low occupancy resultant from COVID-19 uncertainties.

Our actual expenses for the year were at 98% of budget (budget: R4.688 billion vs actual R4.589 billion). A large component of the saving is from vacant positions not filled during the year.

Further savings were achieved from other areas like travel and conferencing, printing, and maintenance of facilities that could not be undertaken as scheduled. The achieved savings consolidated a surplus of R1.339 billion (2020: R814 million), after accounting for income from investments, including fair value adjustments on available-for-sale financial assets, and actuarial gains and losses on post-retirement benefits. The growth is largely as a result of the positive performance of equity markets in the last quarter of 2021 and improved performance by subsidiary entities.

The investment portfolios of the University and the UJ Trust realised very good returns. Markets continued their strong performance, which allowed the medium- and long-term investment portfolios to continue to grow. The University portfolio achieved a net return of 19,74% in the year under review against a composite benchmark return of 19,40%, while the UJ Trust achieved a net return of 21,43% against a composite benchmark return of 21,24%. This saw the consolidated portfolio market value growing from R4.091 billion in 2020 to R4.952 billion at the end of 2021. Very healthy returns were also realised from the short-term investment portfolio as a result of increased cash generated as well as improved investment strategies, exceeding the budget expectation by 68%.

Our financial position remains strong with consolidated net assets of R9.2 billion (2020: R7.7 billion). The amount spent during the year on infrastructure developments is R441 million.

UJ places a high premium on sound corporate and financial management and does everything in its power to ensure that finances are managed in a transparent and judicious manner. This includes ensuring that a responsible level of reserves is maintained with a view to long-term institutional sustainability, which includes that academic quality and requisite infrastructure be maintained throughout. These reserves take the form of funds intended for various environments to be used only according to specific guidelines and conditions.

Council-controlled reserves at year-end amounted to R3.179 billion (2020: R2.342 billion) representing 128% of annual permanent remuneration, R2.708 billion of which was classified as undesignated. The growth in Council-controlled reserves is earmarked for infrastructure maintenance and expansion, as well as critical new posts, to the extent that the level of these funds does not go below 50% of annual permanent remuneration.

Our liquidity position remains strong with the ratio of our current assets to current liabilities at 1.4 (2020: 1.5).

Nolwazi Mamorare (Ms)
Chief Financial Officer

Financial Governance and Revenue

OPERATING CONTEXT, GOVERNANCE AND RISK MANAGEMENT

A world-class, empowered, strategic partner. This is the vision that the Division continues to strive for, underpinning the activities conducted within Financial Governance and Revenue (FinGov) during 2021.

The 2020 year-end audits were concluded at group, university and subsidiary levels with favourable outcomes aligning well with further enhancement of the control environment. Further assurance activities were conducted, provisioning comfort for our various stakeholders and indicative of a maturing internal control environment.

Our risk management activities included the establishment of a centralised compliance function with underpinning governance framework and policies, all with Council approval. Further refinement of the business continuity management activities culminated in our conducting the Business Impact Assessment alongside ICS. In addition to monitoring and strengthening of the control environment, awareness campaigns continue to feature in promoting fraud prevention. As a responsible corporate citizen that is ethically and legally bound to the principle of public accountability, the University adopts a zero-tolerance approach to any form of fraud, corruption and related acts of dishonesty or misconduct. This informs the consequence management and convictions secured upon such acts being detected.

Sustainability and stability in income generation remain paramount, especially in the context of third-stream income generation. To this end, implementation of the investment strategy continued, culminating in the appointment of fund managers to secure attainment of associated investment objectives. The commercial entities also inform this third-stream income generation motive. Resolution Circle, one of the wholly owned subsidiaries of the University, achieved 269% growth in profit, coming off unfavourable financial performance figures in the prior year, i.e. R16.5 million profit in 2021 from an unfavourable R9.8 million loss in 2020. The entity also experienced a stronger financial position at year-end as an outcome of the shareholder loan capitalisation transaction. UJInvnt saw the appointment of an executive manager in February 2021, with a number of commercialisation pipeline projects currently being explored by the Board.

Budget activities within the academic programme continue to inform a more significant aspect of the operational budget, in excess of the 58% target, in keeping with the University's strategic objectives. The FBPs housed within environments participated in a number of development courses to continue to enhance their service offering.

Key financial projects undertaken divisionally include Financial Redesign and Optimisation of our CEP offering, so as to strengthen efficiencies and promote value-adding financial management support, financial sustainability and good governance.

Strategic goals for 2021

The key strategic goals informing planning, controlling, organising and directing activities within the Department for the 2021 financial year, encompassed the following:

- Continued implementation of efficiencies and automation of processes within FinGov.
- Continued stakeholder engagement internally and externally.
- Continued implementation of cost savings and other austerity measures to ensure financial sustainability.
- Continued winding down of activities associated with remaining identified commercial entities.
- Strengthening of financial and governance maturity of the University's subsidiaries.
- Setting up the governance and financial structures in supporting the UJMA Trust to deliver on its objectives.
- Participation in the appointment of strategic positions within the Division, working alongside Financial Expenditure and Revenue Administration departments.
- Implementation of the investment strategies of the University and the UJ Trust.
- Improved cash flow forecasting to influence decision making and alignment with approved investment strategy.
- Continued strengthening of the control environment.

The value adding impact of the above goals continues to be evidenced in the outcomes of our assurance activities, our reporting and advisory support facilitating decision making and favourable institutional financial performance. We continue to work towards full implementation of the above in the 2022 financial year.

DEPARTMENT HIGHLIGHTS

Key highlights are reflected upon across the four departments within the Financial Governance and Revenue Division, namely Budget and Project Management (BPM), Risk Management and Assurance (RMA), Strategic Financial Projects (SFP), and Treasury and Reporting (T&R). The organogram below bears reference:

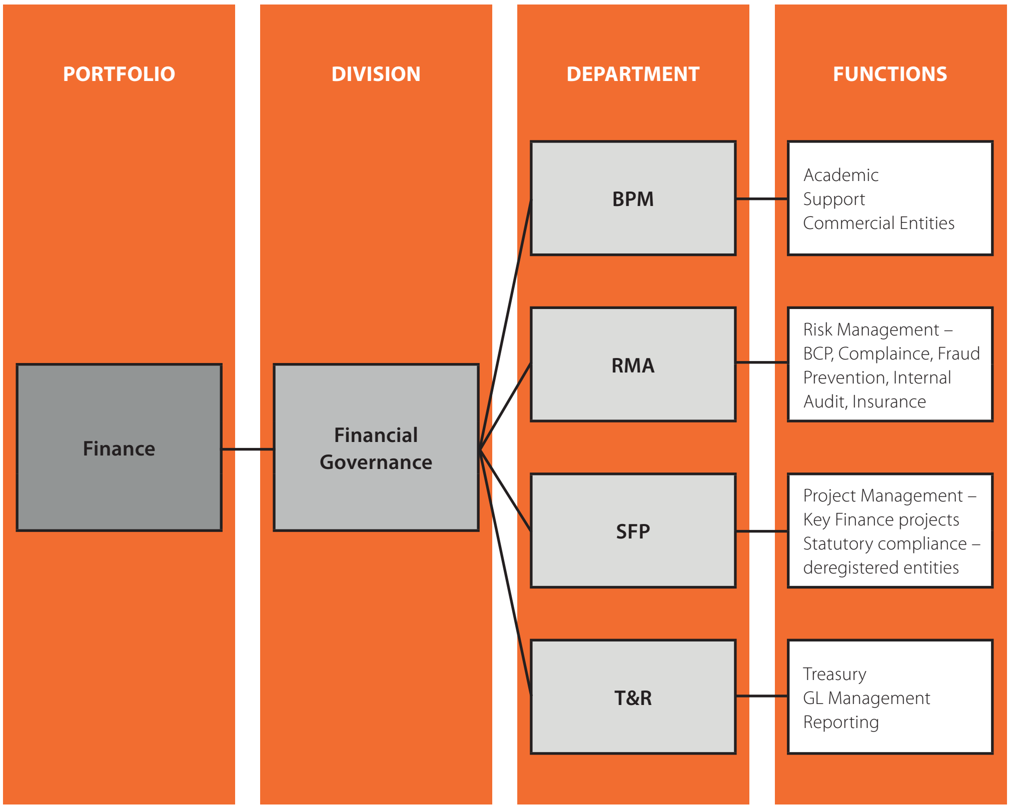


Figure 15: Financial Governance and Revenue Organogram

Budget and Project Management (BPM – Director: Ms M Ntuli)

The BPM team is the key client-facing component within not only FinGov but the Finance Portfolio as a whole, with the financial business partners as the primary contact between the Division and various stakeholders in the University. The client base of the Budget and Project Management Department spans all the domains of the academic, support and commercial entities, requiring dedicated services in meeting diverse requests. Service delivery is thus achieved through dedicated financial business partners, accountants, and financial officers.

Key functions within this area relate to the provision of financial management information by way of internal financial reports, to assist managers of the various environments in their decision-making processes towards achieving short-, medium- and long-term institutional goals. The information provided includes budget compilation in accordance with budget guidelines, research income and expenditure reporting, variance analysis, project accounting and reporting, and outcomes of agreed-upon procedures.

Strategic goals/targets for 2021

- Revised existing processes to reduce operating costs. This required constant monitoring and upholding of stringent operational budget controls while collaborating with faculty and divisional heads to ensure that the core functions and UJ key strategic initiatives are not undermined.
- Improved efficiencies and refined the budget process. In 2021, we managed to standardise the budget templates, implemented a new business proposal template, and produced consistent PowerPoint presentations for the meetings to be focused and efficient in all divisional/faculty budget discussions.
- Implemented an ongoing process to manage and ensure accurate CoJ utility payments with an improved and dedicated resource from the external stakeholder to improve engagement and query resolution.
- Improved the reporting overall by implementing BI reports, so we could provide our stakeholders with better analysis and relevant commentary to enable effective decision making.
- Developed a query resolution system whereby our stakeholders could log a call for any query or assistance, which was then tracked and monitored to improve responsiveness from our team and build up on the quality of our responses. This allowed us to gather a library of frequently asked questions to improve our customer service levels for all.
- Refined and improved NRF and URC reports as required by relevant stakeholders.
- Held bi-annual workshops with the research support team and our finance team to improve collaborative working relationships, which further enhanced service delivery for all our stakeholders.
- Implemented the Finance redesign plans and goals pending approval by MEC. Documentation of our standard operating procedures was completed by June 2021, and followed on by automations and improvements.

Implementation of efficiencies identified

- Research and Finance workshops, held twice in 2021, enabled better alignment of the strategic goals of the research team with the service levels and the reporting we provide. Communication was constant and collaborative. The working relationships had improved tremendously.
- Implementing standard internal budget request memos within the team assisted in reducing queries and improved the consistency and quality of memos for all. This then improved service delivery turnaround times.
- Successful integration of the new team members from the SFP team within BPM in the past year. This assisted in alleviating the spread of the workload among team members and thereby improving service levels.
- Alignment of Delegation of Authority (DOA) to the different functions within BPM. Inconsistencies/gaps were identified and hierarchies/authorised signatories and approval of memos updated. The BPM DOA was completed and was aligned with the approved schedule of authorities to enable ease of functions.
- Continuous monitoring and support of the commercial entities. For A Million Up we had implemented the VAT audit findings recommendations and improved on the management accounts and SLA with UJ. We took on responsibility for the financial management support of UJMA in the past year. Hands-on dedicated support was provided to the new executive manager who started in February 2021 under UJInvnt.
- Grant and grant interest accounting processes were formulated to align with DHET requirements.
- Improvement of the cost centre creation form and simplification for users; this resulted in quick turnaround time to process cost centre creation requests.

Major challenges for 2021

- BI reporting was developed; however, it was not rolled out as planned; this is to be achieved in 2022, with the goal of aligning it with the 4IR strategy of the University and being the best performing finance team.
- Technical challenges were experienced with our query resolution system, which could not be rolled out last year. This is to be facilitated in the 2022/23 financial years.

Successes in 2021

- Successful completion of 21 agreed-upon procedures (AUPs) – with only a few with minor 'needs improvement' audit outcomes.
- Completed UJInvnt and UJ Properties 2020 audits on time.
- Successfully completed the interim audit process in November 2021 for A Million Up and Resolution Circle.
- We completed the budget process within the timelines for approval by MEC at the last meeting of the year (November 2021). This required the team to quickly adapt and learn to work and deliver the service expected under remote working conditions.
- Contributed to the favourable net surplus performance. This was driven by several factors, but we played a critical role in controlling the budget as stringently as was needed. Continuous collaboration with faculty and divisional heads ensured that the core functions and UJ key strategic initiatives were not undermined. This resulted in savings/underspending on operating expenses to the value of R42 million.
- The team attended a 'Dare-to-Lead' training programme, which spanned three months from July to September. The training was intended to empower the team with daring leadership skills and to build courage and psychological safety in the team for the improvement of the whole team performance.
- Two senior managers attended and successfully completed the UJ Women's Leadership Development Programme (UJWLD).
- Completed the recruitment process for one Finance Business Partner and two Finance Officers in November. All successful candidates were internal.

Way forward for 2022

- Go live with BI reports.
- Roll out the query resolution system to improve service delivery.
- Improve on 2023 budget process and automate reports by utilising the system optimally. Enable and support the University to achieve the financial sustainability goal for the foreseeable future.
- Improve on governance, processes and reporting for the commercial entities to support generation of income.
- Support and deliver on projects undertaken to improve third-stream income for the future sustainability of the University.

Risk Management and Assurance (RMA – Director: Ms F Madungandaba)

The UJ Council acknowledges overall responsibility in establishing a sound risk management framework and internal control system as well as in reviewing its adequacy and effectiveness. Risk management forms an integral part of the financial and operational governance processes of the University in order not only to ensure good governance principles, but also to assist the University in achieving its strategic goals and objectives.

The objective of the University's risk management strategy is to manage the University's risks within an acceptable risk appetite, rather than to eliminate risk of failure to achieve the business goals and objectives. It therefore provides reasonable, rather than absolute, assurance against material misstatements, fraud or loss.

Council has therefore established appropriate control structures and processes for identifying, evaluating, monitoring and responding to significant risks faced by the University. The control structure and the control process, which have been instituted throughout the University, are reviewed and updated from time to time in response to changes in the business environment, and this ongoing process has been in place for the full financial year under review, supported by the approval of the Risk Implementation Plan.

Oversight of the risk management processes resides with the Audit and Risk Committee of Council (ARCC), and the management of risks is the responsibility of the Management Executive Committee (MEC) Risk Management Committee.

Risks that remained at the forefront of the University's strategic planning processes during 2021 were as follows:

- Financial sustainability of the University. This risk was greatly impacted by the emerging global pandemic. The socioeconomic impact on many households as well as the financial impact on institutions such as the Department of Higher Education and Training and NSFAS resulted in a knock-on effect on the finances of the University.
- National State of Disaster as a result of the global COVID-19 pandemic. The ongoing health risk, as well as the business risks in terms of resourcing, teaching and learning and their financial implications, were continuously evaluated in order to ensure proper planning for potential eventualities.
- Threat of cyber-attacks due to insufficient protection from cyber-attacks of internet-connected systems, including hardware, software and data. The reliance on computer systems and hardware was fully understood when staff and students were impacted by the various lockdown levels; in response, the University requested employees to work from home and students to attend online learning. As a result, cyber-attacks became a conspicuous risk to the University.

The University continues its efforts to build a strong foundation and ensure an integrated approach to risk management, being informed by internal and external environmental factors, internal audit, governance, ethics and effective business continuity.

Strategic Financial Projects (SFP – Ms M de Wet)

The primary strategic goal for the SFP Department is to support the drive for global excellence and stature through the Strategic Plan 2025, by project managing strategic finance projects. These projects are geared towards the efficiency drives undertaken within the Finance Portfolio in contributing towards the attainment of the University's strategic objectives.

Key functions in this area revolve around the management of the key finance strategic projects, namely Finance Redesign, Financial Sustainability, Change Intervention, and the optimisation of continuing education programmes (CEPs), as well as the winding down of the identified commercial entities.

We deliver service excellence by ensuring the projects are managed effectively and that timeous reports are submitted to the relevant oversight structures.

Strategic focus and targets

The primary strategic drive is to deliver service excellence by ensuring that projects are managed effectively and efficiently to deliver value to our internal and external stakeholders in support of the UJ Strategic Plan 2025.

Strategic initiatives undertaken in 2021

- Effective management of the Finance Redesign Project
  - The Finance Redesign Project was initiated by Finance Management to re-engineer the current Finance function to a state of Next Generation Finance. This is informed by the MEC-directed Institutional Organisation Design Project as well as the global Next Generation Finance theme, which contextualises the Finance function within the 4IR landscape.
  - The Finance Portfolio derives its strategic direction from Strategic Objective Six, indicating fitness for global excellence and stature as contained in the UJ Strategic Plan 2025.
  - In the implementation of the Finance Redesign project, a service efficiency driven operating model was opted for, to be driven through the following organisational elements:
    - Review finance processes – to enable efficiency and needed agility for customer centricity.
    - Review finance technology – to support efficiency initiatives and minimise routine manual work.
    - Review the Finance staff under the people pillar – to ensure proper competency in all roles within Finance.
    - Incorporate communication and change management – to ensure buy-in from staff and stakeholders into the project.
  - Key objectives:
    - Positioning of the project as an enabler of efficiency, productivity, and aspirational culture.
    - Active and visible support and commitment from leaders.

    - ~ Realistic expectations about impacts and benefits of the project.
    - ~ Involvement of all required stakeholders.
    - ~ Commitment of prepared employees to changes in their work environment.
    - ~ Sustained interest and energy of team members, administrators, and employees.
    - ~ Accurate and concise information with consistent timing.
- Effective management of the continuing education programmes project
  - Optimisation of continuing education programmes (CEPs) through improved support and process efficiencies, resulting in increased third-stream income.
  - Non-subsidised programmes refer to programmes that universities offer without funding or subsidy from the Department of Higher Education and Training (DHET). The offering of these types of programmes takes on a variety of forms, namely CEPs; accredited whole qualifications; bridging programmes (articulating into subsidised programmes); short learning programmes (SLPs); and other training and development interventions offered either face-to-face or online.
  - Offering non-subsidised teaching and learning programmes contributes to the University's third-stream income. The profit margin on the offering of non-subsidised programmes should on average be 20% or more. The profit generated from the offering of non-subsidised programmes is mainly used to fund existing academic positions or for other activities dealing with staff, students, or the University's infrastructure.
  - Objectives:
    - ~ Address main points to provide an environment more conducive for CEPs.
    - ~ Implement a differentiated finance levy model.
    - ~ Review the Policy on the Regulation of Secondary Income-generating Activities Supplementing Employees' Income (which also addresses CEPs).
    - ~ Establish a digital institutional prospectus for all CEPs.
- Finalise the winding down of commercial entities (e.g. deregistration at SARS) and monitor progress of the liquidation process.
- Provide timeous management and provision of insightful and relevant information to the various stakeholders.
- Ensure unqualified annual financials for all active commercial entities.
- Ensure any tax changes are implemented, and that SARS submissions are timeous and accurate.

Successes for 2021

- Management of winding down and liquidation processes associated with remaining commercial entities.
- Participation in annual audit process alongside BPM team for the 2020 subsidiary audits.
- Project management of key projects, finance redesign and CEP projects, through tracking and monitoring progress, providing timeous progress reports on deliverables.

Challenges

- Cumbersome SARS processes (indication by SARS that there is no set turnaround time to effect deregistrations) to finally deregister the remaining commercial entities.
- Owing to setbacks at the Office of the Master of the High Court, the progress with the liquidations is very slow.
- Responsiveness of project role players, which impacts the timelines of the milestones.

Strategic goals for 2022

- Project manage key strategic finance projects, i.e.
  - Finance Redesign
- Participate in divisional initiatives including:
  - Oracle Fusion Upgrade
  - Compliance and POPIA implementation for FinGov
  - Enhancement of the financial modelling informing decision making
- Conclude the remaining activities on entities undergoing winding down or liquidation.

SFP will continue to strive to effectively manage the key strategic projects assigned to the Department, providing regular reporting and timeous alerts to risks associated with the projects.

Treasury and Reporting (T&R – Director: Mr T Ramage)

The Treasury and Reporting Department encompasses the following activities: financial reporting, investment management and accounting, cash management, sundry debtor management (all debtors other than students), credit card administration, creating and maintaining the chart of account structures on all systems, tax administration and compliance, compilation and management of income budget, and budget system administration. In addition, the Department serves as Enterprise Resource Planning (ERP) subsystem owners for the General Ledger and the Accounts Payable and Tax Administrator modules, thus being responsible for all period-end procedures, system error logging, testing of upgrades, enhancements, and patches.

Our primary strategic goal is to ensure financial viability, stability, sustainability and relevance for the University of Johannesburg through sound financial systems, digitisation and good governance. We strive to deliver service excellence by ensuring that effective and efficient business processes and systems are implemented and adhered to, so as to deliver a valued service to our internal and external customers. We also promote a culture of values-driven staff with a productive and satisfied workforce to sustain the achievement of our pre-determined objectives.

The units of Treasury and Reporting are:

- General Ledger and Reporting
- Treasury and Sundry Debtors

We pride ourselves on good governance and high ethical standards. We support the Finance Redesign project, which is currently under way, with the resultant output being a more agile, lean, and insightful Finance function.

Major risks identified – 2021

- Increased infection rates of staff and students, and possible loss of life, as a result of the COVID-19 pandemic experienced all over the world.
- Staff wellbeing, given increased workload; abnormal work-life balance was experienced across the University and within the Department.
- Disruption of University and departmental operations due to disasters. This cut across all the University's operations and initiatives, including liquidity and sustainability.
- Directly related to disrupted operations was the VAT apportionment ratio, which reduced to below the minimum allowed ratio as per VAT Class Ruling.
- Compliance with user access management policies and procedures identified during audit within our environment, especially with regard to IDU (the integrated budgeting solution).
- Compliance with standard operating procedures with regard to short-term investments identified during first ever audit looking specifically at investments.
- Contract management, firstly ensuring contracts are in place for all our service providers and secondly compliance with these contracts.

Successes – 2021

- Our staff responded well to the new normal of working remotely, balancing work and home responsibilities and all the stress associated with the COVID-19 pandemic, in such a way that we could still reach most of our goals and objectives for the year. Even after returning to the office, and then having to evacuate because of a positive COVID-19 case within the office, staff remained calm and focused on deliverables.
- The audited consolidated and separate Annual Financial Statements were completed and submitted on time. This was especially challenging with both final audit phases, interim and final, being conducted fully remotely as well as being conducted by new external auditors. Post audit sentiments were that it was one of the best audits in recent times.
- Successfully drafted and published all 2020 Annual Financial Statements from newly implemented solution, DraftWorx. Statements include UJ consolidated and separate, UJ Trust and other subsidiaries.

- All other internal and external stakeholder reports and audits were completed and submitted on time with no significant audit findings.
- The Internal Financial Controls internal audit was concluded with no findings identified.
- The Council approved the financial sustainability model, which was updated with new, relevant and pertinent financial scenarios. This model identifies the drivers under the control of the University, which are used in the management and mitigation of financial risk, as well as identifying the need for third-stream income and the planning of major strategic projects and initiatives. In 2021, this model played a significant role in both planning and measuring performance during the uncertain times that came from the COVID-19 pandemic and the financial impact this had on operations internally, locally and on world markets.
- The tender process for appointment of fund managers was concluded, with fee negotiation, final appointment, contracting and portfolio construction to conclude in early 2022.
- The short-term investment strategy was drafted and approved at the Financial Sustainability Committee, and implementation will commence early 2022.
- Our return on short-term investments exceeded expectations because of high volumes of cash, mainly from NSFAS, which were invested as part of the short-term portfolio. Long-term investment returns for the 2021 financial year delivered growth in excess of 20% in the investment portfolios from 2020.
- UJ's liquidity and financial sustainability was optimised by updating and submitting daily cash flow reports along with scenario-based forecasting and planning.
- The Fraud Prevention Strategy was reviewed and maintained; this included the departmental Fraud Risk Register to further discuss and report on potential fraud risks, controls and weaknesses in controls, as well as action plans.
- Compliance with new taxes more relevant to the higher education sector were assured, e.g. Carbon Tax and Foreign Donor Funding. Extensive upgrade of SARS e-filing profiles was also concluded.
- Successful reduction in the costing of IDU (integrated budgeting solution) through fee restructures and module restructures.
- UJMA Trust taken onboard, with setting up chart of accounts, transacting, reporting and presenting investment strategy, distribution model(s) and draft AFS to UJMA Trust trustees.

Challenges – 2021

- Working remotely during COVID-19 lockdowns, juggling work-life balance.
- Keeping staff motivated and engaged; coaching, mentorship and training during lockdowns were offered. Faceless meetings also led to less staff interaction and participation.
- Service provider contract vetting and final sign-off was a real challenge, given limited legal knowledge within the Department and staffing issues experienced within the Office of the General Counsel (OGC).
- Delays experienced in Fund Manager Tender, Finance Redesign, SOPs, Automation Projects (Kofax, FNB Host-to-Host, GL Journals and filing, Image Now) due to participation in and outcome of due diligence and associated Oracle Cloud demonstrations.
- The tax administration function at universities is growing considerably and is becoming a challenge with added complexity and volume of new taxes and associated returns and necessary compliance. These include:
  - Foreign Donor Funding
  - Postdoctoral Research Fellows
  - Carbon Tax
- Appropriate role definitions and processes need to be established, especially towards more technical taxes, e.g. Carbon Tax, as the administration office is not privy to information required for completing returns.
- The University sector as a whole needs to invest more in dedicated resources for their tax offices for this ever-increasing and complex function. Most universities have part-time tax officials and make use of outsourced technical and operational advisors, which does not allow for dedicated attention to tax matters.
- Data management roles, responsibilities, policies and procedures are not clearly defined and communicated. This will be cleared through a process of drafting SOPs based on ICS's recently completed and implemented processes

Units

Key functions are highlighted within each of the two units, and a summary on future direction is included.

General Ledger and Reporting

Key functions within this area are preparation of the annual financial statements, monthly management accounts and all other financial information for external stakeholders. The Unit also serves as technical coordinators and administrators of Oracle and ITS general ledgers, the IDU budget system and the procurement, travel and corporate credit cards. They are also responsible for preparation of the income budget for the institution and manage the University's tax compliance.

Strategic direction/goals/targets for 2022 to 2023

- Timely submission of audited Consolidated and Separate Annual Financial Statements, UJ Trust Annual Financial Statements and other stakeholder reports as required.
- Regular tracking and communication towards resolution of audit findings and reconciliations required on responsible trial balance accounts.
- Continuous improvement and possible automation of processes and optimisation of current financial systems to maintain and improve financial governance and performance.
- Successful planning, testing and implementation of Oracle Fusion or similar applications.
- Effective analysis and management of UJ reserves, which will be included in key decision-making dashboards and reports as well as in the Financial Sustainability Model.
- Review of and obtaining of approval for standard operating procedures and practices (SOPs), to ensure continued adherence to good financial governance within the institution and to complement Finance Redesign project deliverables.
- Drafting and enforcement of data management SOPs, policies and related documents.

Treasury and Sundry Debtors

Key functions within this area relate to the management of the University cash flow, of sundry debtors (which entails all invoicing, other than students, and the recovery of related debt), as well as of short- and long-term investments according to relevant mandates set by the Investment Committee and FSCC.

Strategic direction/goals/targets for 2022 to 2023

- Fully implement approved investment strategies.
- Improve the collection rate on sundry debtors and reduce the cost of debt collection.
- Effectively manage and forecast cash with expected result being surplus cash to invest and apply towards operational management cost.
- Investigate the possibilities of implementing a conference management system.
- Draft and enforce data management SOPs, policies and related documents.

CONCLUSION – FINANCIAL GOVERNANCE AND REVENUE

While the pandemic continued to impact staff and operations, the FinGov Division continued to display tenacity and innovation, thereby delivering on the key mandate of promoting financial sustainability and stability, while working alongside various stakeholders. We look forward to the 2022 year activities as we continue to strive towards being a world-class, empowered strategic partner, adding value to the University and contributing to the attainment of our strategic objectives.

Lerato Riba (Ms)
Executive Director: Financial Governance and Revenue

Revenue Administration

OPERATING FRAMEWORK

Revenue Administration, overseen by Senior Director, Mr Michael Matukane, is a newly formed division within the Finance Portfolio. Student Finance and the Development and Fundraising Office are the two departments within the Division, with Student Finance being further subdivided. The Division is responsible for administering funding on behalf of external funders (Bursaries and NSFAS), for debt collection for cash-paying students, and strategic planning and implementing fundraising activities.

STUDENT FINANCE

Student Finance is responsible for administering the financial aid and student debtors functions. We strive to deliver an exceptional student experience, gain global prominence, and give exceptional service to all of our stakeholders, including students, parents, donors, and sponsors, through 4IR technologies. The Department is particularly interested in providing online student services to registered students and alumni located throughout the continent. Student Finance is decentralised, offering all student finance functions on all campuses.

We are committed to being the leading benchmark for all student finance services across the higher education sector. This objective has been largely accomplished, with our senior colleagues serving in critical positions on numerous committees within the education sector. Additionally, the Department is making strides towards becoming the first student finance department to offer more than 70% of its services online. Owing to the increased demand for online services over the last year and continued uncertainty regarding the duration of the COVID-19 restrictions, our paperless approach is likewise on track and was fully implemented in 2021. In addition, staff members' devices were replaced with laptops, and full allocation is due in 2022 for the few remaining staff.

We conducted a comprehensive strategic evaluation and identified several improvement areas. Additionally, external circumstances, such as the COVID-19 pandemic, directly impacted our staff productivity. The pandemic also affected student debtors' ability to repay outstanding accounts, due to job losses and reduced revenue sources.

The Department is led by four Senior Campus Managers who oversee day-to-day operations on the four campuses.

Bursaries

The Bursaries Unit is responsible for administering both internal and external bursaries. The Unit's primary mission is to guarantee sound governance and internal control over internal funds and funds disbursed on behalf of external bursary funders. Along with administering funds to students, the Bursaries Unit is critical in fundraising for missing middle students.

Successes

The successes in the Unit can be attributed to our hardworking staff, supported by our strong belief in service excellence:

- Growth in external bursaries – External bursaries are a strategic focus. Active interaction with bursary providers and other external funding sources resulted in a slight increase in 2021. The increase in external funding was achieved despite a poorly performing economy due to the pandemic.
- The Bursary Unit works collaboratively with the Development Office and other departments to secure external funding for students. In 2021, the Bursary Unit allocated more than R260 million external funding that was earmarked for student bursaries.
- Ongoing interaction with internal stakeholders and faculties on student registration and funding issues led to better relationships and alignment of processes across faculties, support divisions, and the Student Finance Department.
- In partnership with the Development Office and other UJ departments, the Bursary Unit raised R224 million for student bursaries. These funds have assisted more than 2 400 students to date.
- Continuous engagement with our funders resulted in strong partnerships and subsequently secured bursaries for needy students.
- Staff members were encouraged to participate in discussions around system enhancements, where they shared their perspectives on issues such as automation and straight-through processing to ensure better service delivery.
- Another notable success was the establishment of the UJenius merit bursary, which rewards top performers with a tuition award targeted primarily at second- and third-year students. In 2021, the funding was distributed to approximately 700 students.

Challenges

- While the majority of sponsors have adapted to the current COVID-19 standards, we observed a minor decline in the number of students supported, placing extra pressure on the University to seek additional funding.
- Capacity constraints arose from the challenges presented by COVID-19 and the ever-increasing administrative requirements from bursary providers, who request invoices, refunds, and reconciliations.
- To bridge the gap between available funding vis-a-vis the demand for bursaries, we continuously seek additional funding from other areas, particularly international sponsorship.

Plans for 2022

- Ongoing automation of the bursary application process for external funding and real-time reports using Business Intelligence.
- Strengthening of reconciliation processes to identify excess funds and accurately linking them to specific sponsors.
- Increased external bursary funding and less reliance on internal bursary funding.
- A detailed analysis of active sponsors in the UJ database to strengthen partnerships and collaborations and revive lapsed donors.
- An opportunity to align internal processes with the UJenius Office to ensure a smooth start to 2022.
- Proactively monitoring of budget allocations versus the actual spending.

BURSARY PERFORMANCE

Bursaries increased to R746 million in 2021 for both internal and external funding. The increase derives from external donor funding and the missing middle bursary initiatives. The University also implemented the UJenius internal bursary for top-performing students, which increased the operating budget for bursaries.

Despite the achievement in bursary growth, we remain concerned about the award of multiple bursaries to students. Students may have only one full-cost bursary, and other funding should be reversed and allocated to deserving students.

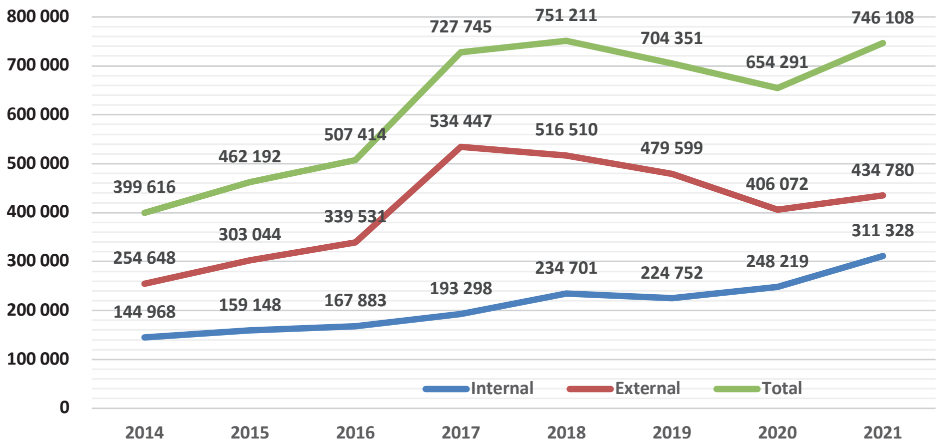


Figure 16: Bursary growth

NSFAS

NSFAS is a statutory body, funded primarily by South Africa's national Department of Higher Education and Training, which provides study loans and bursaries to academically deserving and financially needy students who wish to study at one of South Africa's public higher education institutions. NSFAS has appointed the University of Johannesburg (UJ) to administer funds awarded to UJ on its behalf, and this is managed by the NSFAS Unit in Student Funding.

Following an announcement by the President in December 2017 and confirmed through budget allocations from National Treasury in February 2018, the Department of Higher Education and Training (DHET) introduced the new DHET Bursary Scheme for 2018, providing fully subsidised funding for poor and working-class students at public universities. The bursary scheme has been implemented by the National Student Financial Aid Scheme (NSFAS) from the 2018 academic year onwards.

The new bursary scheme gives effect to the government's vision to ensure that all academically deserving students from poor and working-class backgrounds, who are admitted to study at public universities, are provided with financial support to succeed in their undergraduate study programmes. The bursary scheme supports the goals of the National Development Plan (2012) and the White Paper on Post-School Education and Training (2013), to expand access to higher education for deserving students through financial support from the government and to support greater student success and throughput.

UJ administered bursaries and loans on behalf of NSFAS for 26 612 students in the 2021 academic year. The total funding allocated to UJ was R2 558 938 535.

All NSFAS-funded students receive funds to cover tuition fees, accommodation, meal allowance, and a once-off book allowance. The table below is a brief spending analysis for the 2021 academic year.

Table 63: 2021 allowances disbursed to NSFAS students

Accommodation allowance	R770 978 304
Book allowance	R132 934 491
Living allowance	R421 949 758

Over R900 million of the total NSFAS funding allocations is earmarked for tuition fees and residences.

2021 challenges

The challenges below were documented and discussed with all relevant NSFAS structures. Some items were adequately addressed; however, challenges are ongoing and require regular engagement with NSFAS.

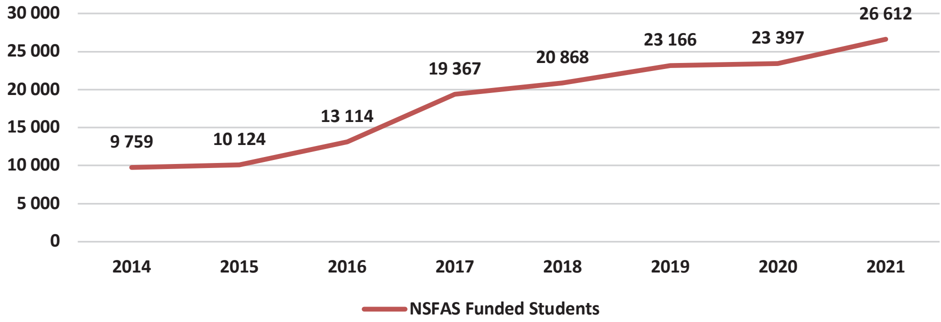


Figure 17: NSFAS-funded students

- There were increased staff constraints in the UJ Financial Aid Office. The nationwide lockdown due to COVID-19 affected normal business operations, because of a limited number of staff members who were able to work remotely, due to lack of devices for staff working from home.
- There is a challenge with qualifications that are being phased out, where extensions are not recorded timeously with SAQA; this has affected FTEN student funding.
- Increased cash disbursement to students' bank accounts is a significant concern. The funds allocated in cash might not be used for the intended purposes.
- Consent forms for accommodation were not submitted timeously, increasing the number of queries to the NSFAS office during the lockdown.

2021 successes

- Increase in number of funded students.
- Increase in number of students receiving allowances, as opposed to high dependency on the meal assistance programme.
- Improved cash flow as a result of fast-tracked payments from NSFAS.
- A good relationship with the NSFAS executive team, which has allowed meaningful engagement on student funding matters.
- Development of new functionality that will allow students eligible for NSFAS and bursary allowances to upload the support documents for these allowances online. Previously, students had to email or submit these documents at the Bursary or NSFAS office.

The increase in student funding is a relief to students and the University. Our strategy is to maintain the current number of funded students while minimising the high dependency on NSFAS, currently at R2.5 billion for 26 612 students.

STUDENT DEBTORS AND SYSTEMS

The Student Debtors and Systems Unit within the Student Finance Department is responsible for a broad range of functions, including debt collection, statement distribution to students and external sponsors, supporting students with tuition fee payment plans, and daily engagement with students regarding general financial matters. The Student Debtors and Systems Unit maintains offices on each of the four campuses.

Student debt overview

Student Debtors is responsible for collecting student debt, including administering accounts already turned over to attorneys. Concerns have been expressed about the decline in student fee payments. However, growing NSFAS support has reduced the number of students previously classified as self-funded.

Over the previous five years, the student debt has increased, but the line item for self-funded students has improved year-on-year. Non-payment of debt, as well as interest accrued on the debt, accounts for the overall increase. We remain concerned over the increasing debt for non-registered students recorded at R265 million in 2021.

Student debt for cash-paying students is administered through payment agreements between the student, parents, and the University. Total outstanding fees are payable in August every year. Student Finance is responsible for student debt collection, including administering accounts that have already been handed over to the attorneys. The 2021 total outstanding debt is recorded at R575 million, including outstanding debt for non-registered students.

The table 64 compares debt trends over the last five years.

Challenges

- The persistently unfavourable economic environment hinders our ability to collect student debt successfully. The ongoing COVID-19 outbreak is hampering the debt collection process.
- Maintaining communication with students remains a struggle.
- The increasing number of students with prior debt proves to be a challenge, affecting the University's cash flow.

Improvements

- Student debtors embarked on a debt collection campaign towards the end of 2021, offering self-funded students a 7,5% discount on outstanding debt if paid in full before the end of December 2021. This was communicated to students through the 2020 online Student Finance roadshows. Students were invited to attend and communication was sent via email to the specific students who qualified. Although the uptake on the offer was not overwhelming, 1 194 students did pay their debt in full and qualified for the discount.
- The Ticketing System at the APK Campus was enhanced to show consideration to our hearing and vision impaired students: an SMS was sent to the student, as opposed to simply printing a ticket.
- The academic application and admission programme was enhanced to link the relevant financial statuses to students on admission.
- The student finance information page presented to the students during registration was enhanced to show the message from Finance regarding the minimum payment relevant to the specific student and the student's envisaged qualifications.
- APK TV screens were utilised for communicating important information, such as FAQs to students while they were in the queues.

DEVELOPMENT AND FUNDRAISING

The Development and Fundraising Department is tasked with raising funds for the University's priority projects, including faculty and core projects.

The primary focus is on GES Objective Six: Fitness for global excellence and stature, and more specifically, on KPA 69: Externally generated unencumbered funds, a critical component of this goal. Additionally, the Department assists with generating research funding, which is specifically industry-aligned, and with soliciting funds for UJ's missing middle students in collaboration with Student Finance.

The Development and Fundraising Department has anchored its position in raising funds within an academic hub – including both staff and student activities towards research that is firmly anchored in achieving the national development plans of South Africa's evolving socioeconomic transformation agenda, within the African continent and the world. At the present time, South Africa is still hampered by continued inequality among its 57 million people, where 10% still hold 71% of the country's total economic wealth, poverty levels are at 48% and youth unemployment at 55% (World Bank, South Africa Overview, 2019/20).

The Development Office is thus concerned with building a funding base that advances the sustainable development objectives as implemented in the faculties, departments, and schools and through robust and innovative research chairs. The African Union (AU) and the United Nations (UN) identify these critical issues in their respective agendas for sustainable development. Building the capacity of youth is an important goal of the Development Office, and attracting funding from business industries with similar values and goals to those of the University of Johannesburg remains its major priority.

Table 64: Student debt trends

	REF	2021	2020	2019	2018	2017
Total bursaries outstanding		R57 063 553	R68 511 511	R104 508 912	R93 402 178	R37 534 713
Total NSFAS outstanding		R145 954 831	R750 934	R264 340 236	R29 934 313	R71 083 995
Cash paying debit balances	**D**	R196 341 292	R248 589 238	R239 684 163	R189 564 230	R198 506 888
	B	**R399 359 676**	**R317 851 683**	**R608 533 311**	**R312 900 721**	**R307 125 596**
Carried forward from		**2020**	**2019**	**2018**	**2017**	**2016**
Bursaries debit balances		R4 822 510	R8 860 883	R2 751 697	R3 524 241	R2 928 191
NSFAS debit balances		R3 714 289	R7 998 703	R4 497 638	R16 482 259	R1 629 312
Cash paying debit balances	**D**	R44 405 838	R49 908 864	R29 731 215	R29 025 498	R33 612 862
		R52 942 637	**R66 768 449**	**R36 980 550**	**R49 031 998**	**R38 170 364**
Carried forward from		**2019**	**2018**	**2017**	**2016**	**2015**
Bursaries debit balances		R1 368 847	R1 249 085	R2 184 257	R475 937	R626 674
NSFAS debit balances		R479 220	R492 128	R53 285 359	R1 297 025	R665 071
Cash paying debit balances	**D**	R4 915 858	R5 379 836	R18 733 132	R4 082 807	R5 060 190
		R6 763 925	**R7 121 049**	**R74 202 748**	**R5 855 769**	**R6 351 935**
Total outstanding balance	**A**	**R459 066 239**	**R391 741 181**	**R719 716 609**	**R367 788 487**	**R351 647 896**
Total outstanding for non-registered students (Provision made) – from past years	**E**	**R265 675 593**	**R233 796 861**	**R172 604 977**	**R162 056 576**	**R136 541 523**
Registered & non-registered	**A+E**	**R724 741 831**	**R625 538 042**	**R892 321 587**	**R529 845 063**	**R488 189 419**
Total student fee income	**F**	**R2 165 698 521**	**R1 990 266 865**	**R1 955 156 147**	**R1 746 484 333**	**R1 717 323 163**
Total 2021 outstanding balance as % of total fees	**A/F**	**21%**	**20%**	**37%**	**21%**	**20%**
Current year (2020) outstanding balance as % of total fee income	**B/F**	**18%**	**16%**	**31%**	**18%**	**18%**
Outstanding Cash paying students balance as % of Total fee income	**D/F**	**11%**	**15%**	**15%**	**13%**	**14%**
All (Registered and not registered) outstanding fees as a % of total fee income	**(A+E)/F**	**33%**	**31%**	**46%**	**30%**	**28%**

It is clear that enhanced industrialisation efforts in Africa require the implementation of business economic models that protect as well as promote jobs by incorporating knowledge-intensive business services (KIBS), to create a positive relationship between manufacturing, productivity and job creation (UNIDO: Industrialising the Digital Age, 2020:37). Therefore, the Development and Fundraising Office conducts its work aligned to relevant businesses, industry and policymakers, comprising critical role players and stakeholders who generate positive incentives to shape the real world. Such incentives build a resilient student base and produce well-educated citizens, as clearly articulated in the AU Agenda, Aspiration 1: A prosperous Africa based on inclusive growth and sustainable development; Aspiration 1, Goal 2: Well-educated citizens and skills revolutions underpinned by science, technology, and innovation – developing Africa's human and social capital through an education skills revolution emphasizing science and technology; similarly in the related UN SDG 4: Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all; and UN SDG 5: Achieve gender equality and empower all women and girls.

Undoubtedly, the Development Office and its team are driven by the objectives of sustainable development, which is viewed as a significant game-changer in addressing Africa's pressing continental-wide sustainable development challenges through the region building and regional integration approach adopted in its work. This approach can build knowledge and increase youth innovation, which directly aligns UJ's academic activities towards building solid academic collaborative partnerships with Africa's HEIS.

Achievements, opportunities, and challenges

Regardless of the economic decline, which has negatively impacted donor funding, the fundraising team exploited new funding opportunities with external stakeholders. These efforts resulted in R357 million being secured by December 2021, exceeding the R200 million target set for the year.

Funding projects are aligned with the University of Johannesburg's 4IR strategy, such as the UJ Talent Pipeline Programme, which focuses on 4IR-ready graduates, and the several 4IR-related research chairs, which are receiving funding, backing and support from business and government. Through this work, the Development Office assisted faculties in reaching R60 million for research funding through collaborative partnership approaches. Faculty and divisional donor initiatives have had similar successes, as evidenced by the following:

- R7 million was committed towards the establishment of the Karl Mittermaier Centre.
- The Health and Welfare SETA committed R27.3 million towards student bursaries.
- Growing Up Africa made donations to the Devland Campus in Soweto, with R110 million funding being received.
- Anglo Gold Ashanti donated 150 laptops towards UJ's missing middle students.
- Ford Motors contributed R1.5 million towards addressing the student debt campaign.
- The ETDP SETA contributed R11 million towards TVET lecturer training initiatives.

The Development Office collaborated with the Bursaries Department and faculties to secure R179.7 million towards student bursaries.

Opportunities and strategic interventions

As custodian of institutional fundraising, the Development Office must implement the approved institutional fundraising strategy. Through a clear fundraising vision, aims, and objectives, the University seeks to raise R3 billion over the next three years (2022-2024). This strategic funding implementation plan will start in 2022. Several beneficial initiatives have already been identified and aligned with crucial priority projects that need funding, matching prospects and interests of both UJ and relevant industries. These funding projects will be executed in partnership with the Executive Leadership Group of the University. To maximise the institution's fundraising success, the Development Office is collaborating with internal and external stakeholders to achieve the desired fundraising results for key sustainable human capital development initiatives.

Despite the severe impact of COVID-19, UJ successfully secured funds from wide-ranging stakeholders in 2021, raising over R357 million. This success can be attributed to specifically targeted projects undertaken by UJ, such as the missing middle student bursaries, digital fundraising, a concentration on personalised 4IR programmes and research, and a better-integrated fundraising approach with internal stakeholder engagement.

Following the success of the student debt campaign, which managed to raise R1.6 million for student bursaries, the Development Office will continue to launch multiple campaigns in 2022 to supplement and broaden its current fundraising efforts.

Challenges

Over the past years, the University of Johannesburg's fundraising targets have steadily increased. Investments made by South Africa's SETAs in the missing middle initiative at UJ have already led to positive results, with most targets being reached, exponentially exceeding UJ's funding expectations. The Development and Fundraising Department's unwavering capabilities thus remain unchanged and ever more resilient.

However, there remains a strong reliance on government funding, which the University identifies as a potential risk, since markets can plummet without warning. Private investment has also decreased significantly, from 22% in 2019 to 12% in 2021. As a result, the funding strategy on UJ's part requires reconceptualisation. To maintain long-term viability and sustainability, the Development and Fundraising Office will move closer to private businesses and international funding in 2022 and beyond. These efforts will be coordinated with the Internationalisation Division, the Bursary Office, and the Alumni Office.

The COVID-19 pandemic undoubtedly also posed new challenges and risks that continue to plague and impact on the Development Office's fundraising work. Most funding decisions made earlier this year were either declined or delayed. Therefore, a strategic plan with clear mitigating risk priorities has been introduced into the work of the Development Office to inculcate a more robust and more adequate funding drive. Several organisations and businesses have also reassigned their finances, primarily to accommodate the COVID-19 pandemic risks against their own business, and are becoming more attuned towards 4IR, e-learning, and digitalisation programmes. Thus, the ever-changing and shifting emphases of the business hub have resulted in the Development Office similarly changing gear, but importantly, keeping its finger firmly on the pulse to meet such new funding priorities and execute its funding work with greater efficacy in alignment with UJ's work. Our fundraising strategy will thus continue to prioritise business needs that are aligned to UJ's 4IR Future Talent Pipeline Programme, 4IR short learning programmes and collaborations within UJ institutes, academia, and research centres, such as the UJ Process, Energy, and Environmental Technology Station (UJ-PEETS); the Virtual and Augmented Reality in Science, Technology, Engineering, and Mathematics Education (VARSTEME) programmes of UJ's Department of Science and Technology Education; the focus on artificial intelligence (AI) and 4IR technologies that address technology gaps for our students as developed by UJ's Institute for Intelligent Systems (IIS); UJ's Food agro-ecology concepts for Africa within 4IR value-added agro-industrialisation technological advancements, among others.

QUALITY MANAGEMENT

The Student Finance Department continually strives to improve business processes in a rapidly changing environment. Administrative requirements have significantly increased as students struggle to source funding for their tertiary education.

To ensure quality, management relies on the following critical areas:

- Feedback from both internal and external stakeholders.
- Student complaints, suggestions, and compliments: addressing these promptly and adjusting business processes accordingly to achieve service excellence.
- Annual internal and external audits and reporting.
- Internal reviews of faculties and other support divisions.
- Unplanned audit-based requests from external sponsors and donors.
- Sourcing external experts to thoroughly review the internal controls and ensure good governance.
- An annual performance review of all staff members.
- Continuous staff training in identified areas.

RISK MANAGEMENT

This Division is responsible for recording the institutional risks in its environment in the UJ Risk Register. Risks are discussed continually with the Senior Director and the Director: Risk.

The significant risks in this Division include:

- Bad debt risks faced by all universities due to unexpected decreases in government funding owing to global issues impacting current financial climates.
- Future operational developments from NSFAS, which could negatively impact university enrolments.
- Irrecoverable NSFAS debt, which impacts cash flow.
- Limitations of the NSFAS maximum amount allowed to fund each student; in some cases, this does not cover the student's total cost per year.
- Irrecoverable debt from defaulting external sponsors, which requires assessing and monitoring payment trends aligned to existing sponsors' and donors' wishes.
- The physical security risk due to the handling of cash, mitigated by the use of external cash management companies and a focus on physical security within each environment.
- The risk of fraud (internally and externally) and error. We rely on reviews and audits to identify high-risk areas. To mitigate this risk, the 'ears-to-the-ground' approach assists, and we similarly thoroughly investigate all claims of fraud using external forensic companies.
- Access control to critical ITS approval/authorisation functions.

STRATEGIC FOCUS AND TARGETS

The strategic objective of this Department is to drive service excellence and to ensure effective and efficient business processes to deliver value to internal customers, namely, faculties and support divisions, research divisions, and to external customers, including students, external bursary providers, and other external stakeholders.

Student Finance strives to provide service excellence by ensuring that all clients receive one-stop service on all campuses. Such efforts entail:

- Ensuring continuous engagements with relevant stakeholders to strengthen partnerships.
- Developing, collaboratively with external collectors, innovative ways to ensure that student debt nearing the prescription period is activated.
- Developing a strategy for a continued unqualified audit reporting year-on-year.
- Increasing the focus on strong credit control – sound controls to minimise the University risk and effective acknowledgement of debt (AOD) management.
- Enhancing the global excellence and stature of UJ, where employees play an important role. A sound performance management system tracks staff to identify developmental areas.

STAFF PROFILE

The Division has gone through a transformation phase since its objectives were revised to provide online student services. As of December 2021, over 60% of staff at all levels are black. Over 29% of the staff members are white, 8% are Coloured, and 2% are Indian.

It is a departmental strategy to acquire skilled personnel internally before searching for external candidates. It is also equally important for the Division to source external candidates strategically to bring in industry skills and knowledge.

COMMUNITY SERVICE, STAKEHOLDER ENGAGEMENT, AND REPUTATION MANAGEMENT

The Division seeks to strengthen relationships with internal and external stakeholders. As the executors of the work, it is as important for the Division to form strategic partnerships internally with faculties and other support divisions as with external partners.

Student Finance staff participate in Mandela Day and the University Staff Day on an annual basis. These engagements all form part of staff and stakeholder engagement. The Department seeks to create awareness among staff of UJ's critical values of honesty, accountability, and integrity, which directly impact the institution's reputation.

RESOURCE MANAGEMENT AND SUSTAINABILITY

Staff wellness and training are fundamental components in the Revenue Administration Division. The Division ensures the safeguarding of the University's resources by keeping each staff member's asset registers and enforcing UJ financial policies and procedures. During 2021, all expenditure within the Division was incurred according to budget control parameters.

CONCLUSION AND WAY FORWARD

The Revenue Administration Division's business process evaluation is now complete. The improved processes will enhance the customer experience and reduce the time required to resolve enquiries.

The Revenue Administration Division made a significant contribution to the University of Johannesburg's fundraising efforts, raising R357 million for student bursaries, research, and other academic endeavours. The Division takes pleasure in its fundraising accomplishments and contributions to shaping the African child's future and the advancement of the University.

The Division will continue to enhance collaboration with external donors to ensure that NSFAS students whose tuition expenses exceed the NSFAS-established maximum cap and missing middle students receive funds to cover the difference and secure full bursaries.

Mzwakhe Matukane (Mr)
Senior Director: Revenue Administration

Finance Expenditure

OVERVIEW

The activities in the Finance Expenditure Division relate to the acquisition of and payment for goods and services. Finance Expenditure (FINEX) serves the University in fulfilment of four of the six strategic objectives of the University:

- Excellence in research and innovation.
- International profile for global excellence and stature.
- National and global reputation management.
- Fitness for global excellence and stature.

Aligned to the institutional Finance Strategy, FINEX strives to be a strategic partner to the University and to ensure financial viability, stability and sustainability of the University. The FINEX specific mission-related goals and aims are:

- Ensure financial viability, stability and sustainability to support the GES 4.0.
- Enhance re-engineering of the financial information system business process in line with Industry 4.0.
- Promote good governance, transformation and empowerment.
- Formalise strategic partnerships across the University.

This is achieved through the FINEX departments:

- Accounts Payable
- Fixed Assets
- Payroll
- Supply Chain Management. Procurement, Tenders, Warehousing and Distribution, Supplier Management as well as Contracts and Commodities Management all resort under Supply Chain Management.

There are many factors that influence FINEX operations, such as customer expectations, annual announcements from the Budget Speech and changes in legislation.

STRATEGIC FOCUS AND TARGETS

To be an efficient partner and render effective business support means that FINEX has to perform with great agility within the boundaries of governance. Commitments made for 2021 included:

- Medium-term considerations for demand management.
- Continued value analysis and value engineering.
- Improved stakeholder engagement.
- Robotic process automation considerations across all FINEX operations.
- Maturity of governance.

Transformation of business processes

Transformation of our business processes became critical to enable FINEX to deliver on its mandate. The evolution of FINEX required:

- Digitally enabled processing, and providing real-time reporting and management information for decision making.
- Changes to the operating and service delivery model.
- Assessment of the overall staff competency to deliver.

Value proposition

Key to customer service excellence and stature was the overhaul of traditional ways of doing business and finding optimal ways to serve business. Turnaround initiatives included:

- Continuous spending analysis to help in the rollout of strategic contracts and strategic sourcing initiatives across the University.
- Augmenting or amplifying technology initiatives to enhance customer experience.
- Value proposition assessments for improved stakeholder partnerships.
- Implementation of University organisational redesign recommendations for an improved value chain.

Partnering with business

Knowing customers' unmet needs helped to identify where to focus. Collaboration between FINEX, the Finance Portfolio and business units enabled achievement of objectives, such as:

- Coordination of sourcing of goods and services at organisational level.
- Leveraging on economies of scale.
- Simplification of procurement processes.
- Upfront governance approvals.
- Timely delivery of goods and services.

Agility of the team

Our capacity to service customers was effectively managed while ensuring flexibility in governance relating to services delivery. Maintaining a balance between operational continuity and employee wellness remains critical as we navigate the new normal.

HIGHLIGHTS FOR THE DIVISION

Value analysis and value engineering remain the key objectives in minimising costs in the acquisition process.

Expenditure control

Uniformity in expense management with a view to redefining the cost base enabled the necessary value engineering for the year. Spending analysis and segmentation enabled the implementation of needed reforms in support of business units.

Supply chain performance

Supplier data analytics provided the intelligence needed to understand commodities on offer and services being rendered by University suppliers. These analytics enabled:

- A full understanding of the spend category.
- Supplier market assessment to investigate alternatives on offer.
- Ascertainment of capabilities and capacity of suppliers and classifying them accordingly.

The review improved the supplier database and facilitated the necessary cleansing, which enabled targeted sourcing to meet the Enterprise and Supplier Development (ESD) imperatives in the acquisition process.

This eased the transition of the Procurement Department to a focus on commodities for improved results.

Remuneration costs

Analytics of the University remuneration costs highlighted exceptions, which had to be closely monitored:

- Appointments past the retirement period.
- Secondary appointments and enforcement of rules.
- Temporary appointments and enforcement of rules.
- Overtime claims in excess of regulated hours and related exceptions.
- General controls related to claims and allowances paid out.

Payroll is a key stakeholder in human resources projects and plays a significant role in the implementation of benefits and rewards. Nurturing of sound relations with the Human Resources Division is imperative. Ensuring compliance of the University's remuneration costs with South African laws and regulations remains the key objective of the Payroll Department.

Demand management

Financial reforms introduced helped ensure demand management, which is aligned with the University's goal of financial sustainability. The 2021 Procurement Demand Plan presented an estimate of R695 162 959, which was the total operational budget amount assessed to have an influence on the procurement process as per the approved 2021 Operational Budget Cycle.

- R33.8 million was approved for strategic initiatives – where these acquisitions were assessed as impacting the procurement process.
- R88.5 million was approved for capital and backlog maintenance projects, with an additional R28.9 million approved for UJ capital projects counterfunding.
- R40 million was approved for Media Park refurbishment.

Preferential procurement goals

To ensure spending aligned to UJ B-BBEE goals, procurement activities are monitored for alignment with the set preferential procurement goals. The current B-BBEE rating is a discounted Level 6. Based on the score achieved, the University is a Level 5 contributor to BEE, but as it has not met the subminimum points under the Skills Development Priority element, it was discounted a level.

To ensure achievement of the set target goals, further consideration was given to minimising spending with non-qualifying suppliers. The University seeks to ensure that all suppliers are at a minimum B-BBEE Level 4.

- The University conducts business with suppliers who holds B-BBEE Level 1-4 with a confirmed percentage of black-owned and/or black women-owned businesses. Priority is given to suppliers with at least 51% black ownership and/or greater than 30% black female ownership and/or at least 51% black designated groups' ownership.
- Automatic Level 4 suppliers are considered for commodities where there is limited competition in the market.
- An exemption is granted when sourcing for specialised services with proven limited supply and in support of agreements with governmental organs.

This is aimed at contributing towards improving the University's B-BBEE Scorecard.

Source to pay

This function is initiated with Supply Chain Management and concludes with Accounts Payable. Supply Chain Management plays an integral part in assisting the University to achieve its objectives.

Sourcing activities

Spending within the University is through three key processes: the procurement process, the tendering process and ad hoc payment requests through Accounts Payable.

Analysis of total UJ expenditure shows that in 2021, the University had a total spend of R1 085 851 947 (excl. VAT) on the procurement of goods, works and services. This indicates that operations continued without hindrance even during the disaster period. (See Table 65)

Table 65: Values and quantity of orders processed per different procurement processes

	Procurement	Tenders	Ad hoc & Forex	Total
Quantity of orders processed	12 539	1 130	2 527	**16 375**
Value of orders processed	R261 018 911	R758 988 646	R65 844 390	**R1 085 851 947**

Effective tendering administration ensured the successful delivery of key projects. Expediting of purchase orders reduced the overall percentage of overdue orders.

Cooperation from business units is critical for the successful implementation of strategic contracts. This is part of reducing processing costs, to gain value for money in transacting and to create efficiency in operations.

Contracts participation

For the year ended, UJ participated in 102 PURCO SA supplier contracts to the value of R73.1 million (excl. VAT). The total rebate earned from the economies of scale in 2021 was R1 317 534.

Accounts Payable

Accounts Payable processed R1.2 billion in payments during the year (2020: R1.1 billion). This is an indication of active movement in economic activities during 2021, moving on from the 2020 slump.

Asset Management

The Fixed Assets Department is responsible for ensuring that all assets of the University are accounted for in the University Assets Register. Compliance with the International Financial Reporting Standards (IFRS) is critical for the Department.

The total asset book stands at R3.9 billion with a net book value of R2.8 billion. A total of 4 086 additions were made to the Fixed Assets Book during 2021.

- Assessment of the useful life of University assets, of impairment of assets and of residual values are ongoing administrative tasks of the Department.
- Barcoding and survey of assets are part of the administrative activities within the Department. Assets verification increased from 5% in 2020 to 40% in 2021. FINEX leveraged on technology for verification of assets within business units, and this was achieved through IDU alerts where cost centre owners are prompted to validate and survey assets under their custody.
- Disposal of assets within the University takes place in consultation with the Department. A total of R10 million assets were retired in 2021.

Broad-based Black Economic Empowerment

For the period under review, 48.01 points have been achieved for the Enterprise and Supplier Development pillar. Partnering with the right supplier remains critical to ensure that UJ spending is made with contributing suppliers. The Supplier Enrichment Programme is the main contributor to the development, mentoring and graduation of emerging suppliers.

Supplier and Enterprise Development Programme

In 2021, a total of 130 entrepreneurs were enrolled and registered for training, and 110 of those registered successfully completed the Small Business Entrepreneurship Programme (SBEP), with the success rate remaining above 90% of the targeted 120 beneficiaries. The profile of the 2021 SBEP beneficiaries interestingly shows an exponential increase in the number of black male entrepreneurs.

A total of 30 SBEP beneficiaries were selected for the Business Turnaround Strategy. This was part of a video shoot aimed at pitching their business to UJ stakeholders. These presentations are made by participants prior to programme completion, which would not have been feasible without partnership with the Centre for Entrepreneurship (CfE).

GOVERNANCE AND RISK MANAGEMENT

The Division mitigates its risks by ensuring continuous assessment of risk in critical activities and incorporating mitigation measures into the business processes. The main exposure for Finance Expenditure is with regard to reputational, regulatory and financial risks.

Control environment assessment and enhancement

To ensure credibility of operations, staff rotation is a necessity, to mitigate against staff becoming familiar with service providers and to ensure improvement in the accuracy of results.

In operationalising efficiencies in the Department's process and systems, all standard operating procedures have been revised. Key policies include the University Policy on Procurement of Goods and Services, and the Schedule of Authorities in support of the University Delegations of Authority.

Legislative/standards changes and impact on operations

For the Division, which is rule-based, compliance with various norms and standards including legislation is critical:

- Compliance with tax laws and related annual amendments.
- Compliance with Section 34 of the Higher Education Act, as amended from time to time, to minimise conflicts of interest.
- Compliance with the B-BBEE Act.
- Compliance with the Accounting Standards.

Risks

Critical risks being monitored include:

Deviation from applicable policies

Acquisition of goods or services without following a proper process denies the University an opportunity to test the market and ascertain whether the prices being presented are the most economical.

Pre-payments

The economic climate has put pressure on the acquisition process and resulted in a steep increase in requests for pre-payments. During 2021, R38 million was paid in pre-payment for goods and services. Completeness or full delivery of these acquisitions remains a priority.

Ad hoc payments

There has been a visible decrease in those ad hoc payments that could also have gone through the procurement process.

Fraud and corruption

Fraud and corruption remain a major concern in our operations. Efforts to combat fraudulent and corrupt activities are ongoing.

Assets management

Monitoring of assets below the capitalisation threshold (i.e. < R10k) creates a big exposure in ensuring full compliance with International Financial Reporting Standards. Verification per location remains vital, and with the rollout of IDU alerts and stakeholder support, continuous stakeholder engagement helps mitigate the current exposure.

Other

Other challenges faced by the Division are:

- Staff burnout due to capacity constraints from the moratorium on filling of vacant positions within support departments.
- The impact of load shedding on critical operations.

STAKEHOLDER ENGAGEMENT

Customer centricity is critical for FINEX as an effective and efficient strategic partner of UJ stakeholders. As a result, engagements with faculties and divisions have become an annual event to allow us to understand the needs of the business units, create awareness of FINEX processes and build healthy working relationships.

A similar initiative is carried out with suppliers, to achieve greater efficiencies and effectiveness. This has improved the participation of suppliers in the UJ procurement process. In 2021, Supplier Day was a hybrid event.

FINEX continued collaboration with the Department of Applied Information Systems in CBE on the Technopreneurship programme and with the Centre for Entrepreneurship (CfE).

RESOURCE MANAGEMENT

Organisational redesign has helped to identify key positions and enable succession planning, to minimise the strain caused by retirements and other exits within FINEX.

Movement on critical positions

For the year under review, FINEX suffered the untimely passing of the Director: Expenditure, Mr Buggy Pillay, during July. Other movements include:

Appointments made

- Senior Manager: Supply Chain Management – Mr Thandile Mhlom. The appointment is aligned to the restructuring of FINEX as a centre of excellence.
- Accountant – Ms Awelani Tshivhase.
- Executive Secretary – Mr Rabi Mogale.

Retirements

- Ms Asha Devlal – Senior Manager: Assets Management.
- Ms Gay Jacobs – Supervisor: Accounts Payables

Continuous professional development

Continued professional development of the FINEX staff is a key focus within the Division. Other developmental initiatives included conferences and attendance of update sessions.

Professional affiliation is critical to keep abreast of developments in the industry. The Division is a member of:

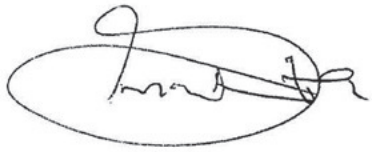
- The Chartered Institute of Purchasing and Supply (CIPS).
- The South African Payroll Administrators (SAPA).
- The South African Institute of Chartered Accountants (SAICA).
- The Association of Certified Fraud Examiners (ACFE).

CONCLUSION AND WAY FORWARD

The improvement of customer service requires a coordinated effort, and to achieve this, the review and enhancement of business processes from time to time, in line with global best practice, is a necessity; this will be ongoing. Improvement initiatives planned for 2022 include:

- Restructuring supply chain management into two centres of excellence, for tactical sourcing and strategic sourcing, instead of the current focus on commodity champions.
- Effectively managing commodity to reap the rewards from tactical sourcing. This will ease structuring of strategic contracts and minimise routine sourcing.
- Expanding the support for emerging business and maximising critical points for the B-BBEE Scorecard.
- Leveraging economies of scale as ultimate result.

FINEX commits to remaining a value for money service, which is effective and efficient, for the UJ community.



Sarah Makinta (Ms)
Executive Director: Expenditure

UJ Trust

OVERVIEW AND CONTEXT

The University is the sole beneficiary of the UJ Trust. The UJ Trust allocates, on an annual basis, funds to the University for specific agreed-upon strategic initiatives of the University.

Since the establishment of UJ, the Trust has distributed a total of R528 million to the University towards research development for faculties and centres of excellence, underprivileged student support, postgraduate bursaries and teaching, and learning and research infrastructure support during the COVID-19 pandemic period. It is still a sad reality that finances continue to be one of the main reasons keeping students from academic success, and therefore this is one of the areas where the UJ Trust supports the University.

2021 FUNDS ALLOCATION

In the year under review, the Trustees considered and approved an allocation of R25 million towards the University's operating budget as discussed below.

Research development for centres, innovation, and commercialisation

An amount of R7.5 million was earmarked for the development of interdisciplinary research and technology projects. This interdisciplinary research combines research of various UJ faculties with commercial opportunities to strengthen institutional, regional and national priorities, as evidenced in the wide spectrum of research topics.

UJ Trust funding was allocated to the University's Technology Transfer Office (TTO) to identify intellectual property with potential for further research and commercialisation. The funding has assisted the TTO, in partnership with UJInvnt, a wholly owned University subsidiary, in patenting and in further research and development of various discoveries and ideas that are close to commercialisation, for instance, diamond detection and atomic layer deposition, and has aided the establishment of an e-store where innovative robotics and chemical products are sold to students and the public.

Underprivileged student support

The 2021 allocation for assistance to UJ students was primarily used as a contribution towards funding our meal assistance programme for financially needy students. UJ Trust, in partnership with the UJ School of Tourism and Hospitality and Tiger Brands, provided two meals a day to at least 3 022 students, who otherwise would have had no food. An amount of R7.5 million was used for this purpose. In addition, R2.5 million was awarded to underprivileged students to assist with tuition, accommodation, and book allowances.

Postgraduate bursaries

The UJ Trust allocated R7.5 million towards postgraduate bursaries in 2021. This amount was used to fund advanced diploma and honours bursaries, with the goal of further building postgraduate numbers.

With the decline in state and other external funding available for postgraduate studies, ways have to be found to ensure that the cohort of honours students is big enough to allow adequate numbers of students to progress to master's degrees, and this requires substantial funding for honours bursaries and advanced diploma students.

The increase in postgraduate students is a strategic imperative of the University, and thus the amount allocated by the UJ Trust assists in achieving the strategy of the University.

FINANCIAL PERFORMANCE

The Trust holds its funds in long-term investments managed by independent fund managers. The funds are invested in local and foreign assets (equity, bonds and deposits), carefully selected under agreed-on mandates. These investments are made up of two balanced fund portfolios at Coronation Fund Managers and Ninety One, with a total market value of R1 011 553 990 at the end of 2021 (2020: R854 917 688). The Fund aims to outperform the composite benchmark through investing in multiple balanced funds. This multi-manager mandate implements its portfolio construction with risk management as its core focus.

The 2021 financial year was an extraordinary year. Markets continued their strong performance, which allowed the Trust to continue to grow during this critical time when pandemic-related financial pressures challenge all in higher education. This growth will enable the Trust to increase its allocation to the University in 2022.

The fund achieved a net return of 21,43% in the year under review against a benchmark return of 21,24%, while its peer group showed an average return of 21,34% with average annual fees of 0,53%.

Following the approval of a revised investment strategy for the Trust by the Board of Trustees in 2020, two new fund managers, Schroder Investment Management Ltd and Kagiso Asset Management (now Cassima Asset Management) were appointed and will be onboarded in 2022. We look forward to these partners bringing in improved risk management and growth to the portfolio.

TRUSTEES

The Trust Deed of the UJ Trust indicates that the UJ Trust's Board of Trustees should consist of a minimum of ten trustees, and no more than one-third of the trustees may be members of the Council or of Senate or employees of the University.

The following Trustees represented the UJ Trust in 2021:

- Ms R Bopape*
- Prof A Dempsey
- Prof W Domingo*
- Dr ME Gama (Chairperson)
- Advocate S Khumalo
- Advocate E Mokutu*
- Advocate M Rasivhetshele
- Mr S Rossouw
- Mr M Teke
- Ms N Zikalala

** These trustees had not been formally updated as Trustees at the Master's Office at year-end. They were therefore not authorised to make decisions as trustees and attended Board of Trustee meetings as invitees only.*

Nolwazi Mamorare (Ms)
Chief Financial Officer

Resolution Circle

INTRODUCTION

Resolution Circle is 100% owned by the University of Johannesburg and offers skills training mainly in the Electrical, Electronic and Mechanical Engineering disciplines. With its workshops and practical approach, it is in a unique position to give trainees exposure to industry-related skills training.

The company was founded in 2012, with funding from both the National Skills Fund (NSF) and the University of Johannesburg (UJ). Resolution Circle's mission is to provide practical and hands-on skills training to Engineering students, supported through industry partnerships. Our vision is to be(come) the recognised market leader in South Africa for technical training.

Resolution Circle is first and foremost a training hub that prides itself on providing skills training opportunities, practical in-service project training, and various short learning and candidacy programmes to technical students, to address the ever-changing world of Engineering and Engineering Technology. Professional training at Resolution Circle bridges the many gaps that exist between theory and practice. More often than not, theory is very difficult to apply. Our philosophy is simple, in that experienced operators or practitioners really are the best examples of work in practice. We believe in collaborative training that leans on expertise available in the company. By developing this expertise and learning from practitioners, economically viable programmes become possible.

Resolution Circle has state-of-the-art equipment with over 80 professional employees recruited from industry. The 300-seat workshop with industry grade equipment provides training under supervision of experienced artisans. Students are divided into groups of 15 to 20, and each group is allocated to a specific key trade area. Each trade is supervised by a dedicated artisan/instructor supported by training assistants (who themselves are in the process of registering as Engineering technicians and technologists).

Our main focus for the past eight years has been to provide technical training for national diploma work-integrated students in the Automation, Computer Systems, Electrical, Electronic, Instrumentation and Process Control, and Mechanical Engineering disciplines. The initial focus was on Engineering diploma students from Universities of Technology, including CUT, DUT, MUT, TUT, VUT and UJ, Unisa, and WSU. More than 2 100 National Diploma in Engineering students from these universities have completed the WIL component of their university curriculum programme at the Resolution Circle facilities. In 2021, we enrolled 640 Engineering Diploma students from 10 different HEIs who started their P1 programme.

Resolution Circle has started diversifying away from a purely MerSETA-driven training model based on University of Technology Engineering diploma students only. Since 2019, Resolution Circle has been successful in securing funding from five other SETAs to accommodate not only University of Technology Engineering diploma students, but also apprenticeships, candidacies (post qualification), skills programmes, short learning programmes (SLPs) and the TVET National Accredited Technical Education Diploma (NATED) work-integrated learning programme. We are in discussion with five more SETAs, but we have not been able to secure funding from them as yet. One of the five other SETAs (Energy and Water SETA) is looking promising for 2022.

We have applied for accreditation at the Quality Council for Trades and Occupations (QCTO) in various trades. We were accredited for Mechanical Fitting in 2019, Electrical and Plumbing in 2020, and for Boilermaking, Instrument Mechanician, Turning and Welding in 2021.

We were officially recognised by the Engineering Council of South Africa (ECSA) to conduct candidacy programmes. We launched our candidacy programme in 2020, sponsored by TETA; we expanded this programme in 2021, sponsored by the Chemical Industries Education and Training Authority (CHIETA) and the private sector, and our total number of candidates increased to 83, who will in due course register as engineers, technicians or technologists at ECSA.

We have signed MOUs with nine TVET colleges: six based in Gauteng, Central Johannesburg College (CJC), Ekurhuleni East (EEC), Ekurhuleni West (EWC), Sedibeng, Southwest Gauteng (SWG) and Western; one in the Free State (Flavius Mareka); one in Mpumalanga (Gert Sibande); and one in North West province (Orbit). We secured our first business directly with TVETs in 2021 by training their lecturers. We also secured a significant grant from ETDP SETA with the Westcol TVET college as beneficiary, which we will be undertaking in conjunction with UJ PEETS. We have again trained over 300 students from TVET colleges in Gauteng. Over 200 NATED N6 students from 22 different TVET colleges continued their 18-month WIL programme with us in 2021 and will finish in 2022.

We are engaging further with the Coastal (KZN), Enhlanzeni (MP), Majuba (KZN), Vhembe (LP) and Vuselela (NW) TVET colleges.

OTHER ACTIVITIES

For the past seven years, we have been involved in retraining technical high school teachers for the Gauteng, North West and Limpopo Departments of Education, with specific focus on Boilermaking, Electrical, Electronics, and Fitting and Turning.

We offer short learning programmes (SLPs) in Fibre Optics, Programmable Logic Controllers and Solar Photovoltaic (PV) Design and Installation. These courses are credit bearing and geared towards the logbook and qualification criteria of the various institutions of learning that we serve. New courses, Additive Manufacturing, Computer Numerically Controlled (CNC) Machining, Internet of Things and Robotics, tie in with UJ's focus on the Fourth Industrial Revolution (4IR).

We support and manage UJ's maintenance programme on three of UJ's campuses. The maintenance tracks, which are managed, staffed, and supported by Resolution Circle, are Electrical, Carpentry and Plumbing. These tracks employ qualified artisans and junior technicians and are supported by WIL P2 students. The practical application and training within this programme is invaluable skills development. We closed 3 253 job tickets in 2021 versus 2 524 job tickets in 2020; though, given the April/May lockdown in 2020, a true comparison with 2021, i.e. also excluding April/May, yields 2 620 versus 2 524 job tickets in 2020. In 2022, we will also be performing the maintenance functions on APB Campus.

FINANCIAL PERFORMANCE

The final result was a profit of R16.5 million for the year under review against a budgeted R12 million profit. Revenue generated in 2021 was R86.6 million, significantly higher than the R31 million generated in 2020. Our total expenses, which include distribution and other operating expenses, amounted to R68.2 million for the year (2020 R40 million). We managed to improve our total liquidity position through restructuring our balance sheet. For the first time in Resolution Circle's history, we are technically solvent.

OUTLOOK FOR 2022

We intend to focus on our growth strategy. This includes our revenue and profit goals, the impact we would like to make (in terms of the key strategic goals), where we should be operating and where the opportunities might be for growth. What is our competitive advantage? What are our growth enablers in terms of our staff, our processes and our systems? How can we grow our top line by identifying new products and markets?

We seem to be one of the first institutions to offer candidacy as a service. In other institutions, this is generally linked to a graduate internship for postgraduate studies, such as an honours or a master's degree in Engineering. Our candidacy ranges from a full three years for employed candidates to a stand-alone first, second or third year of the programme. The first year is often linked to our graduate internship programme for unemployed candidates; the third year, for candidates with relevant experience, can involve a fast track programme with qualification in a year.

Our new qualification as Energy Efficiency (audit) Technician offers further opportunities for school leavers. This is intended as a self-funded programme for paying students, so will not be based on grants from SETAs or sponsorships from the private sector. We intend targeting top academic schools such as the technical high schools, to cater for matriculants who have not yet found an opportunity for post- school education and training. Once we have mastered the notion of self-funded students, we intend to cross-sell our other full qualifications, such as the apprenticeships and SLPs that can lead to employment, for instance, Industrial Robotics and Solar PV.

We intend to make SLPs available on a world-class e-learning platform. As a start, we are planning to develop one of our six-week modular courses in Electronics for delivery by e-learning, which we can initially sell online in South Africa and, as we gain traction, eventually cross-border, too.

While 2021 was the year of business turnaround, 2022 will be the year of stabilisation and preparation for growth in 2023 and beyond. While our training methodology has historically been workshop based, we have recognised opportunities for new technical qualifications that are less dependent on workshops.

We are also planning a higher level of automation and digitalisation in 2022, to optimise our business processes. We are changing our accounting system, our payroll system and our learner management system, while preparing for an International Organisation for Standardisation (ISO) 9001 audit. We believe that having more automated systems and processes in place will allow us to scale the business without having to incur extra operational costs.

Saurabh Sinha (Prof)
Deputy Vice-Chancellor: Research and Internationalisation

B-BBEE Report

PREFERENTIAL PROCUREMENT REPORT AS AT 31 DECEMBER 2021

The B-BBEE rating of the University of Johannesburg for the year ended 31 December 2021 is a Level Five (5).

The University achieved 80% BEE Procurement Recognition Level and is an empowering supplier.

The cumulative scorecard is as follows:

Element	Weighted Points	UJ Points 2017	UJ Points 2018	UJ Points 2019	UJ Points 2020	UJ Points 2021
Management Control	20	13.45	13.43	13.46	13.92	14.54
Skills Development	30	19.69	10.14	12.29	8.80	11.03
Enterprise and Supplier Development	54	28.4	46.69	45.49	48.01	48.33
Socioeconomic Development	5	5	5	5	5	5
Total Points	**109**	**66.54**	**75.26**	**76.2**	**75.73**	**78.9**
B-BBEE Level		**8**	**5**	**5**	**6**	**5**

Assessment of the elements

1. *Management Control*

For the period under review, the University scored 14.54. Intervention programmes implemented are starting to show steady progress towards achievement of targets.

2. *Skills Development*

11.03 points were achieved for Skills Development. This is an improvement from the previous year where the University was not able to meet the subminimum required for this priority element and was subsequently discounted.

Interventions have been deployed in the coming year to ensure that the limitations met with this element are achieved.

- No points were scored for expenditure on learning programmes for disabled black employees.
- No points were scored for the number of black people absorbed by the University at the end of the learnerships, internships and apprenticeship.

3. *Enterprise and Supplier Development*

The University had to achieve a minimum of 40% on each of the targets set out in the three of the sub-elements of the enterprise and supplier development. These are:

- Preferential Procurement
- Supplier Development
- Enterprise Development

For the period under review, 48.33 points were achieved for Enterprise and Supplier Development. The full 22 points have been achieved for Supplier Development and Enterprise Development. Partnering with the right suppliers remains critical to ensure that UJ spending is made with contributing suppliers.

The Supplier Enrichment Programme is the main attributor to the development, mentoring and graduation of emerging suppliers. The programme enabled achievement of the full bonus points.

4. Socioeconomic Development

Full points (5) have been achieved for Socioeconomic Development.

Nolwazi Mamorare (Ms)
Chief Financial Officer

B-BBEE Rating Certificate

Honeycomb
BEE Ratings
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BROAD-BASED BEE VERIFICATION CERTIFICATE

We Certify that

University of Johannesburg

Including Subsidiaries Listed in "Annexure A"
Company Address: *Cnr Kingsway and University Road, Auckland Park, Johannesburg,*
VAT Number: *4900127681,*

Has been verified for compliance with the B-BBEE Act No. 53 of 2013 and the Codes of Good Practice Gazette No. 38766 of May 2015 and has achieved the following:

BEE RATING

Level Five (5) Contributor

(Generic – Specialised Scorecard)

BEE PROCUREMENT RECOGNITION LEVEL

80%

Analysis	Score	Element	Results
Black Ownership	N/A	Ownership	N/A
Black Woman Ownership	N/A	Management Control	14.54
Black Designated Group	N/A	Skills Development	11.03
Black Youth	N/A	Enterprise & Supplier Development	48.33
Black Disabled	N/A	Socio-Economic Development	5.00
Black Unemployed	N/A	**Total**	**78.90**
Black People Living in Rural Areas	N/A	Y.E.S. Initiative Implemented	No
Black Military Veterans	N/A	Y.E.S. Target Achieved	N/A
Black New Entrants	N/A	Number of Levels Promoted	N/A
Exclusion Principle Applied	No	Certificate Number	HR_GEN_2709_22
Modified Flow Through Principle	No	Version Number	1.0
Empowering Supplier	Yes	Issue Date	07 June 2022
Discounting Applied	No	Expiry Date	06 June 2023
Financial Period Reviewed	01 January 2021 – 31 December 2021	Revision Date	N/A

Verification Manager
Kyle Mitchell
Honeycomb BEE Ratings

sanas

BEE RATING BY HONEYCOMB

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086 Honeycomb or (011) 880 1630 • info@honeycomb-bee.co.za • www.honeycomb-bee.co.za

B-BBEE Rating Annexure A

Honeycomb BEE Ratings

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ANNEXURE A

University of Johannesburg Certificate Number HR_GEN_2709_22 Incorporates the following Entity:

Company Name	Registration Number	VAT Number
UJ Properties (Pty) Ltd	2012/097565/07	4580262014

Verification Manager
Kyle Mitchell
Honeycomb BEE Ratings

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Chairperson of Council Finance Committee Report

OVERVIEW

UJ achieved excellent operating results during the year under review, despite a tough economic environment. While this year represented a post-COVID recovery period with University operations returning to normal, we continued being deliberate about achieving maximum cost savings and external income generation in the year to cushion the impact of the uncertainty on future income generation. This has resulted in an enhanced financial position, with a strengthened liquidity and cash flow profile.

The financial strategy and principles adopted by UJ clearly state that the University will at all times endeavour to ensure a match between recurring expenses and recurring income, and this assisted in managing the finances during this tough and uncertain period. Non-recurring income is used to finance once-off capital expenditure, to further enhance the overall sustainability of the University and for strategic interventions of a non-recurring nature. These strategic interventions and activities should support this strategy, with these activities eventually becoming self-sustainable.

UJ places a high premium on sound corporate and financial management and does everything in its power to ensure that finances are managed in a transparent and judicious manner. This includes ensuring that a reasonable level of reserves is maintained with a view to long-term institutional sustainability, which includes that academic quality and requisite infrastructure be maintained throughout. These reserves take the form of funds intended for various environments and to be used only according to specific guidelines and conditions.

The University finances ended the year in a dramatically improved position to what was anticipated, with a consolidated surplus of R1.339 billion. Operating income was up 8,8%, driven by the introduction of new programmes and an increase in externally generated research and other income. The UJ community rallied in a shared and purposeful effort to reduce costs, with expenses before expected credit losses from irrecoverable student debt growing by only 7% this year.

The investment portfolio of the University and the UJ Trust realised very impressive returns. Markets continued their strong performance, which allowed the medium- and long-term investment portfolios to continue to grow during this critical time when pandemic-related financial pressures challenge all in higher education. The portfolios achieved net returns of 19,74% and 21,43% for the University and UJ Trust, respectively, outperforming the composite benchmark return. Very healthy returns were also realised from the short-term investment portfolio, exceeding the budget expectation by 68%.

This success has enabled the University to fund unexpected costs that became critical to enable the following:

- Continuing remote and hybrid teaching, learning and research through investment in safety and health measures, as well as digital technologies. The University invested R53 million to support students and staff with various technologies, computing devices and data, personal protective equipment and the reconfiguration of labs and residences.

- Supporting students through increased financial aid and scholarships, and discounts on tuition and residence fees. In total, residence fees were 9% below budget, while 13% of the University operating budget was allocated to various forms of assistance to low income and missing middle students.
- Avoiding loss of employment. As the pandemic displaced work for employees across the world and our national unemployment rates continued to rise, UJ provided R3.2 billion in uninterrupted pay and benefits for more than 9 000 permanent and temporary staff.
- Preserving and growing reserves. Our Council-controlled reserves grew by an impressive 36% from R2.342 billion in 2020 to R3.179 billion (R2.708 billion classified as undesignated) at the end of 2021. This growth happened despite the continued investment in ICT and built infrastructure, as well as the GES 4.0 catalytic initiatives.

The achievements were not easy and came with a lot of sacrifices and support from many people across our University, national, continental, and global communities. A large contributor to the growth in the reserves is the increase in the number of partnerships with and donations to the University, which are designated to fund bursaries, research, infrastructure and other academic activities.

We thank UJ staff for their commitment shown to playing a part in ensuring the long- term financial sustainability of the University. We also want to thank each and every one of our partners and donors for their continued support to the University and confidence in our excellence in teaching and research.

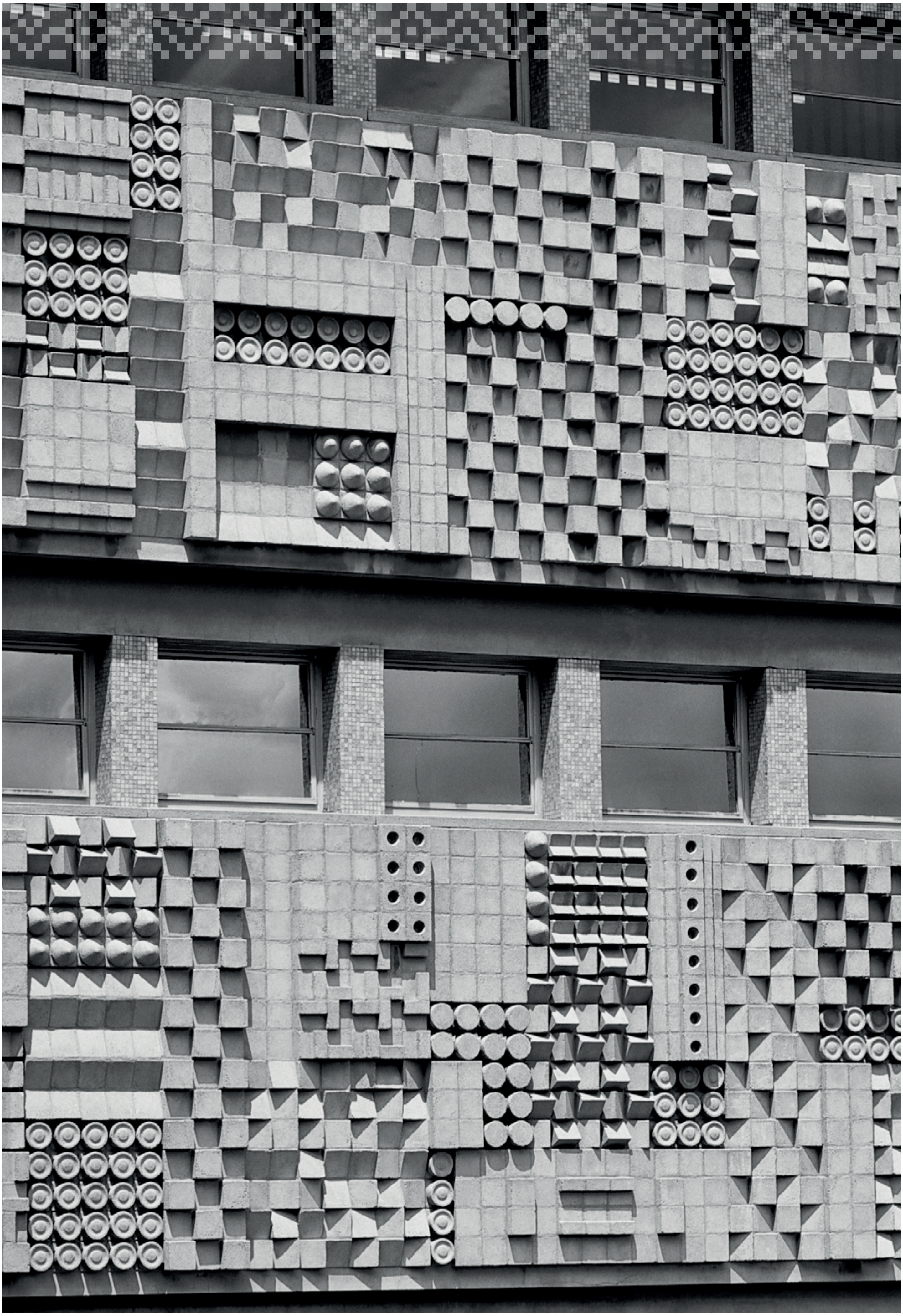
The University continues to face various risks and uncertainties. These include:

- The growing number of students qualifying for NSFAS nationally and the increase in national unemployment figures, which pose a significant risk to the level of future state funding allocations to universities.
- The increase in irrecoverable student debt.
- The ageing University infrastructure and decline in our allocation of state funding for this purpose.
- Competition for talent.

Considering the above income and cost pressures, it is clear that we must continue to pursue alternative income sources, which include additional income generated from innovative new offerings, our strong financial position as well as third-party financial contributions. This is very important in supporting and funding future infrastructure and other strategic initiatives.

Continued vigilance on good governance is paramount to enable the University to remain financially sustainable, re-establish its commercialisation activities and thereby generate the much-needed third-stream income. The uncertainties created by the COVID-19 pandemic are closely managed. While our outlook remains positive, we are continuously revising our five-year financial plan to take into consideration all these unprecedented risks. We are convinced that, based on the financial position, UJ is adequately funded and will be able to successfully execute its mandate in 2022 and beyond.

Kone Gugushe (Ms)
Chairperson: Financial Sustainability Committee of Council



Consolidated and Separate Annual Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2021

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Statement of Responsibility of the Members of Council

FOR THE YEAR ENDED 31 DECEMBER 2021

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 480 to 576 of this Annual Report for 2021 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 480 to 576 of this Annual Report were approved by the Council on 23 June 2022 and signed on its behalf by:

MS Teke
Chair of Council

T Marwala (Prof)
Vice-Chancellor and Principal

N Mamorare
Chief Financial Officer

SNG Grant Thornton
20 Morris Street East,
Woodmead,
2191
P.O. Box 2939,
Saxonwold,
2132

Independent auditor's report to the Minister of higher Education and Training and the Council of the University of Johannesburg

Report on the audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated and separate financial statements of the University of Johannesburg and its subsidiaries (the group) set out on pages 480 to 573, which comprise the consolidated and separate statement of financial position as at 31 December 2021, 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 2021 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 Auditors* (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the *International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (Including International Independence Standards).*

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

Emphasis of matter

We draw attention to the matter below. Our opinion is not modified in respect of this matter.

Restatement of corresponding figures

As disclosed in note 41 to the financial statements, the corresponding figures for 2020 were restated as a result of errors in the consolidated and separate financial statements of the group at, and for the year ended, 2021.

Other matter

We draw attention to the matter below. Our opinion is not modified in respect of this matter.

Supplementary information

The Department of Higher Education and Training Consolidated Statement of Profit or Loss and Other Comprehensive Income as set out on pages 570 to 573 does not form part of the consolidated and separate financial statements and is presented as additional information. I have not audited this schedules and, accordingly, I do not express an opinion on them.

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 the selected objective presented in the annual performance report. We performed procedures to identify material findings but not to gather evidence to express assurance.

Our procedures address the usefulness and reliability of the reported performance information, which must be based on the university's approved performance planning documents. We have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. Our procedures do not examine whether the actions taken by the university enabled service delivery. Our procedures do not extend to any disclosures or assertions relating to the extent of achievements in the current year or planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, our findings do not extend to these matters.

We evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected objective presented in the university's annual performance report for the year ended 31 December 2021:

Objective	Pages in the annual performance report
Strategic Objective Two – Excellence in Teaching and Learning	85 –87

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 xx to xx for information on the achievement of planned targets for the year.

Report on the audit of compliance with legislation

Introduction and scope

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

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

Other information

The council is responsible for the other information. The other information comprises the information included in the Annual Report,. The other information does not include the consolidated and separate financial statements, the auditor's report and the selected strategic objective presented in the annual performance report that have been specifically reported in this auditor's report.

Our opinion on the consolidated and separate 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 objective 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 consolidated and separate financial statements or our findings on the reported performance information or compliance with legislation.

Audit related services - Agreed upon procedures

Engagement name	Description of engagement	Period end	Firm performing the engagement	Status	Expected date of issuing report
Financial data - DHET	The verification of financial data from the annual financial statements	31 Dec 2021	SNG Grant Thornton	Completed	June 2022
University of Johannesburg Annual Performance Plan	The verification of reported outputs for indicators included in the University of Johannesburg Annual Performance Plan	31 Dec 2021	SNG Grant Thornton	Completed	June 2022
DHET IEG Infrastructure Grant	Agreed-upon procedures engagement in respect of the Department of Higher Education ("DHET") Infrastructure and Efficiency Grant for the year 1 April 2021 to 31 March 2022	31 Mar 2022	PwC	Completed	31 May 2022
Teaching Development Collaboration Grant	Agreed-upon procedures engagement in respect of the verification that the Teacher Development Collaboration Grant was expended per the conditions of the grant for the year 01 April 2021 to 31 March 2022	31 Mar 2022	PwC	Completed	26 May 2022
Health Science Clinical Grant	Agreed-upon procedures engagement in respect of the verification that the Health Science Clinical Grant was expended per the conditions of the grant for the year ended 31 March 2022	31 Mar 2022	PwC	Completed	31 May 2022
COVID Responsiveness Grant (Multimodal Teaching & Learning Plan)	Agreed-upon procedures engagement in respect of the verification that the COVID-19 Responsiveness Grant for the 12 month period ended 31 March 2022	31 Mar 2022	PwC	Completed	03 June 2022
University Capacity Development Grant (UCDP)	Agreed-upon procedures engagement in respect of the University Capacity Development Grant for the period 01 January 2021 to 31 March 2022	31 Mar 2022	PwC	Completed	31 May 2022
Technology Innovation Agency (TIA)	Agreed-upon procedures engagement in respect of the Technology Innovation Agency: Metal Casting Technology Station ("MCTS") Grant and the of the Technology Innovation Agency Process Energy and Environmental Technology Station ("PEETS") Grant for the year 01 April 2021 to 31 March 2022	31 Mar 2022	PwC	Finalisation of factual findings	22 June 2022
Foundation Grant	Agreed-upon procedures engagement in respect of the Foundation Grant for the period 1 April 2021 to 31 March 2022	31 Mar 2022	PwC	Completed	31 May 2022

Engagement name	Description of engagement	Period end	Firm performing the engagement	Status	Expected date of issuing report
Research Publications	Agreed-upon procedures engagement in respect of the verification that the Research and Development Grant was expended per the conditions of the grant for the year ended 31 March 2022	31 Dec 2021	PwC	Completed	11 May 2022
UCDP -Future professors Programme	Agreed-upon procedures engagement in respect of the University Capacity Development Programme: Future Professors Programme Grant for the period 01 January 2021 to 31 March 2022	31 Mar 2022	PwC	Completed	31 May 2022
University Staff Doctoral Programme (USDP-ADAPTT)	Agreed-upon procedures engagement in respect of the University Staff Doctoral Programme (USDP) for the period 01 January 2021 to 31 March 2022.	31 Mar 2022	PwC	Completed	31 May 2022
UCDP - NESP programme	Agreed-upon procedures engagement in respect of the University Capacity Development Programme: Nurturing Emerging Scholars Programme Grant for the period 01 January 2021 to 31 March 2022.	31 Mar 2022	PwC	Completed	31 May 2022
University Integrated Quality Assurance Framework (UIQAF)	Agreed-upon procedures engagement in respect of the Quality Assurance Framework Implementation Support Project (QAF ISP) for the period 1 April 2021 to 31 March 2022	31 Mar 2022	PwC	Completed	31 May 2022
Research & Collaboration Development Grant	Agreed-upon procedures engagement in respect of the verification that the Research and Development Grant was expended per the conditions of the grant for the year ended 31 March 2022	31 Mar 2022	PwC	Completed	25 May 2022
New Generation of Academics Programmer Grant (NGAP)	Agreed-upon procedures engagement in respect of the verification that the New Generation of Academics Programmer Grant was expended per the conditions of the grant for the period 01 April 2021 to 31 March 2022.	31 Mar 2022	PwC	Completed	31 May 2022
Primary Education Grant (PRIMTED) AUDIT	Agreed-upon procedures engagement in respect of the verification that the Primary Education Grant was expended per the conditions of the grant for the period 01 April 2021 to 31 March 2022	31 Mar 2022	PwC	Completed	31 May 2022

Engagement name	Description of engagement	Period end	Firm performing the engagement	Status	Expected date of issuing report
HEMIS AUDIT	Agreed-upon procedures engagement in respect of Student and Staff statistics of the University of Johannesburg for the purpose of reporting to the Department of Higher Education and Training for the year ended 31 December 2021	31 Dec 2021	PwC	In progress	27 July 2022
Industrial Think Tank Programme (CCRED) final audit	Agreed-upon procedures engagement in respect of the verification that the Industrial Think Tank Programme (CCRED) was expended per the conditions of the grant for the 12-month period 1 April 2021 to 31 March 2022	31 Mar 2022	PwC	Completed	28 April 2022
British Council Grant (USDP)	Agreed-upon procedures engagement in respect of the British Council University Staff Doctoral Programme (USDP) (South Africa-United Kingdom partnership) for the year ended 31 December 2021	31 Dec 2021	PwC	Completed	11 February 2022
NRF: SKA	Agreed-Upon Procedures Report on the National Research Foundation (NRF) Square Kilometer Array (SKA) Grant received by the University of Johannesburg for the year ended 31 December 2021	31 Dec 2021	PwC	Completed	11 March 2022
NRF: Cimera	Agreed-Upon Procedures Report on the National Research Foundation (NRF) awards received by the University of Johannesburg for the Centre of Excellence for Integrated Mineral and Energy Analysis for the year ended 31 December 2021	31 Dec 2021	PwC	Completed	11 March 2022
NRF: Awards & grant deposit	Agreed-Upon Procedures Report on the National Research Foundation (NRF) Awards and Grant Deposit received by the University of Johannesburg for the year ended 31 December 2021.	31 Dec 2021	PwC	Completed	11 March 2022
CALT	Agreed-upon procedures engagement in respect of the Centre for African Languages Teaching (CALT@UJ) project from 1 August 2018 to 31 December 2021	31 Dec 2021	PwC	Completed	08 April 2022
NRF (Main Project)	Included in grant deposits	31 Dec 2021	PwC	Completed	11 March 2022

Engagement name	Description of engagement	Period end	Firm performing the engagement	Status	Expected date of issuing report
Raymond Ackerman Academy Capital Fund And Trust	Agreed-upon procedures in respect of the Raymond Ackerman Academy procedures for the period 1 January 2018 to 31 July 2021	31 Dec 2021	PwC	Completed	10 December 2021
Raymond Ackerman Academy Capital Fund And Trust	Agreed-upon procedures engagement in respect of the Raymond Ackerman Academy procedures for the period 1 August 2021 to 31 December 2021	31 Mar 2022	PwC	Completed	26 April 2022
Foreign Schools Audit	Agreed-upon procedures in respect of the Compliance Engagement on the University of Johannesburg's William D Ford Federal Direct Loan Program for the year ended 31 December 2020	20 May 2021	PwC	Completed	02 March 2022

Thabo Mogano
SizweNtsalubaGobodo Grant Thornton Inc.
Director
Registered Auditor
27 June 2022
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 objective and on the group 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 group’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 consolidated and separate financial statements about the material uncertainty or, if such disclosures are inadequate, to modify our opinion on the consolidated and separate 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 the group to cease operating as a going concern
- evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the consolidate notes and disclosures, and determine whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated and separate financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

Communication with those charged with governance

We communicate with the 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.

University of Johannesburg

Consolidated and Separate Financial Statements for the year ended 31 December 2021

Statements of Financial Position

Figures in R `000	Notes	Consolidated 2021	Consolidated 2020 Restated	Consolidated 1 Jan 2020 Restated	University 2021	University 2020 Restated	University 1 Jan 2020 Restated
Assets							
Non-current assets							
Property, plant and equipment	6	2,975,250	2,679,070	2,520,466	2,800,919	2,515,391	2,383,634
Intangible assets	7	13,075	17,559	12,484	13,072	17,552	12,481
Investment in subsidiaries, associates and other investments	8	4,884	4,112	3,357	210,305	184,083	142,476
Financial assets at fair value through profit or loss	11	4,952,108	4,091,015	3,831,353	3,862,192	3,236,097	2,986,661
Long term employee benefits	20	816,654	593,238	577,377	816,654	593,238	577,377
Total non-current assets		**8,761,971**	**7,384,994**	**6,945,037**	**7,703,142**	**6,546,361**	**6,102,629**
Current assets							
Inventories	9	17,037	7,183	4,441	16,967	7,126	4,441
Trade and other receivables	10	301,430	547,627	398,666	256,332	532,787	394,837
- Student fees		157,613	89,228	169,993	157,368	89,287	165,802
- Other receivables		143,817	458,399	228,673	98,964	443,500	229,035
Loans to subsidiaries and associates	8	-	2,296	16,264	12,961	14,306	6,298
Cash and cash equivalents	12	2,804,532	1,144,530	1,531,626	2,778,111	1,125,866	1,513,519
Short term deposits	13	-	820,000	-	-	820,000	-
Total current assets		**3,122,999**	**2,521,636**	**1,950,997**	**3,064,371**	**2,500,085**	**1,919,095**
Total assets		**11,884,970**	**9,906,630**	**8,896,034**	**10,767,513**	**9,046,446**	**8,021,724**

University of Johannesburg

Consolidated and Separate Financial Statements for the year ended 31 December 2021

Statements of Financial Position

Figures in R `000	Notes	Consolidated 2021	Consolidated 2020 Restated	Consolidated 1 Jan 2020 Restated	University 2021	University 2020 Restated	University 1 Jan 2020 Restated
Equity and liabilities							
Equity							
Non-distributable reserves		**2,988,059**	**2,695,833**	**2,530,668**	**2,813,726**	**2,532,147**	**2,393,834**
Funds invested in property, plant and equipment		2,988,059	2,695,833	2,530,668	2,813,726	2,532,147	2,393,834
Reserve funds		**6,254,032**	**5,066,052**	**4,413,945**	**5,332,660**	**4,352,116**	**3,675,876**
Restricted use funds		*1,744,461*	*1,464,398*	*1,266,015*	*873,432*	*738,937*	*556,460*
Student residences funds		73,557	165,344	145,400	94,839	165,344	145,399
Trust/donor/bursary funds		1,670,904	1,299,054	1,120,615	778,593	573,593	411,061
Unrestricted use funds		*4,509,571*	*3,601,654*	*3,147,930*	*4,459,228*	*3,613,179*	*3,119,416*
Designated/committed funds		1,772,093	1,270,899	911,253	1,750,813	1,270,899	911,253
Undesignated funds		2,737,478	2,330,755	2,236,677	2,708,415	2,342,280	2,208,163
Total equity		**9,242,091**	**7,761,885**	**6,944,613**	**8,146,386**	**6,884,263**	**6,069,710**

University of Johannesburg

Consolidated and Separate Financial Statements for the year ended 31 December 2021

Statements of Financial Position

Figures in R `000	Notes	Consolidated 2021	Consolidated 2020 Restated	Consolidated 1 Jan 2020 Restated	University 2021	University 2020 Restated	University 1 Jan 2020 Restated
Liabilities							
Non-current liabilities							
Provisions	14	36,539	71,017	55,017	36,539	71,017	55,017
Borrowings	18	-	263	1,673	-	263	1,673
Lease liabilities	16	2,865	5,927	8,609	2,865	16,952	8,609
Deferred income	19	78,798	202,254	274,275	78,798	202,254	274,275
Long term employee benefit obligation	20	275,414	222,310	245,118	275,414	222,310	245,118
Total non-current liabilities		**393,616**	**501,771**	**584,692**	**393,616**	**512,796**	**584,692**
Current liabilities							
Provisions	14	77,065	66,112	68,793	66,249	66,112	68,793
Trade and other payables	15	1,706,186	1,217,315	1,020,271	1,701,708	1,217,011	1,014,715
Student deposits and accounts in credit	17	276,814	205,254	178,782	259,331	200,497	173,526
Borrowings	18	263	533	610	263	533	610
Lease liabilities	16	3,062	3,175	3,110	14,087	14,649	14,515
Deferred income	19	185,873	150,585	95,163	185,873	150,585	95,163
Total current liabilities		**2,249,263**	**1,642,974**	**1,366,729**	**2,227,511**	**1,649,387**	**1,367,322**
Total liabilities		**2,642,879**	**2,144,745**	**1,951,421**	**2,621,127**	**2,162,183**	**1,952,014**
Total equity and liabilities		**11,884,970**	**9,906,630**	**8,896,034**	**10,767,513**	**9,046,446**	**8,021,724**

*Refer to note 41 for details regarding the restatements.

University of Johannesburg

Consolidated and Separate Financial Statements for the year ended 31 December 2021

Statements of Profit or Loss and Other Comprehensive Income

Figures in R `000	Notes	Consolidated 2021	Consolidated 2020 Restated	University 2021	University 2020 Restated
Revenue		**5,193,929**	**4,793,264**	**5,182,131**	**4,784,187**
State appropriations - subsidies and grants	21	2,700,186	2,572,792	2,700,186	2,572,792
Tuition and other fee income	22	2,172,675	1,974,901	2,160,624	1,965,824
Research income	23	321,068	245,571	321,321	245,571
Other operating income	24	359,260	312,136	316,253	340,132
Operating income		**5,553,189**	**5,105,400**	**5,498,384**	**5,124,319**
Personnel costs	25	(3,215,691)	(2,901,270)	(3,162,496)	(2,869,777)
Depreciation	6	(86,116)	(82,637)	(94,471)	(91,321)
Amortisation	7	(1,611)	(1,538)	(1,607)	(1,534)
Bursaries awarded	26	(459,814)	(495,231)	(459,814)	(495,231)
Impairment of student and other debt	10	(334,600)	(198,147)	(333,921)	(197,246)
Other expenses	27	(1,137,657)	(1,096,759)	(1,172,478)	(1,067,847)
Operating profit		**317,700**	**329,818**	**273,597**	**401,363**
Impairment gains (losses)	28	(9,378)	(8,139)	13,072	(3,127)
Finance income	29	70,411	62,143	69,440	60,946
Finance costs	30	(607)	(524)	(1,832)	(1,641)
Income from investments	31	314,401	245,065	273,851	214,523
Investments fair value gains	32	646,638	185,658	492,954	139,238
Profit for the year		**1,339,165**	**814,021**	**1,121,082**	**811,302**
Other comprehensive income					
Items that will not be subsequently reclassified to profit or loss					
Actuarial gains on defined benefit plans	20	141,041	3,251	141,041	3,251
Total comprehensive income		**1,480,206**	**817,272**	**1,262,123**	**814,553**
Profit for the year attributable to:					
- University		1,339,165	814,021	1,121,082	811,302
		1,339,165	**814,021**	**1,121,082**	**811,302**
Comprehensive income attributable to:					
- University		1,480,206	817,272	1,262,123	814,553
		1,480,206	**817,272**	**1,262,123**	**814,553**

*Refer to note 41 for details regarding the restatements.

University of Johannesburg

Consolidated and Separate Financial Statements for the year ended 31 December 2021

Statements of Changes in Equity - Consolidated

Figures in R `000	Undesignated Funds	Designated / Committed Funds	Total Unrestricted use funds	Trust / Donor / Bursaries Funds	Student Residence Funds	Total Restricted use funds	Funds invested in Property, Plant and Equipment	TOTAL
Consolidated								
Balance at 01 January 2021	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 and (losses) on defined benefit plans	141,041	-	**141,041**	-	-	-	-	**141,041**
Total comprehensive income	**350,534**	**717,931**	**1,068,465**	**356,213**	**55,528**	**411,741**	-	**1,480,206**
Movement in funds	56,189	(216,737)	**(160,548)**	15,637	(147,315)	**(131,678)**	**292,226**	-
Balance at 31 December 2021	**2,737,478**	**1,772,093**	**4,509,571**	**1,670,904**	**73,557**	**1,744,461**	**2,988,059**	**9,242,091**
Balance at 01 January 2020 as previously reported	1,723,621	911,253	**2,634,874**	1,120,615	145,400	**1,266,015**	**2,530,668**	**6,431,557**
Correction of prior period errors (note 41)	513,056	-	**513,056**	-	-	-	-	**513,056**
Balance at 01 January 2020 restated	**2,236,677**	**911,253**	**3,147,930**	**1,120,615**	**145,400**	**1,266,015**	**2,530,668**	**6,944,613**
Profit for the year restated	568,453	-	**568,453**	213,558	32,010	**245,568**	-	**814,021**
Actuarial gains and (losses) on defined benefit plans restated	3,251	-	**3,251**	-	-	-	-	**3,251**
Total comprehensive income restated	**571,704**	-	**571,704**	**213,558**	**32,010**	**245,568**	-	**817,272**
Movement in funds	(477,626)	359,646	**(117,980)**	(35,119)	(12,066)	**(47,185)**	**165,165**	-
Balance at 31 December 2020 restated	**2,330,755**	**1,270,899**	**3,601,654**	**1,299,054**	**165,344**	**1,464,398**	**2,695,833**	**7,761,885**

University of Johannesburg

Consolidated and Separate Financial Statements for the year ended 31 December 2021

Statements of Changes in Equity - University

Figures in R `000	Undesignated Funds	Designated / Committed Funds	Total Unrestricted use funds	Trust / Donor / Bursaries Funds	Student Residence Funds	Total Restricted use funds	Funds invested in Property, Plant and Equipment	TOTAL
University								
Balance at 01 January 2021	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 and (losses) on defined benefit plans	141,041	-	**141,041**	-	-	**-**	**-**	**141,041**
Total comprehensive income	**326,852**	**696,649**	**1,023,501**	**161,812**	**76,810**	**238,622**	**-**	**1,262,123**
Movement in funds	39,283	(216,735)	**(177,452)**	43,188	(147,315)	**(104,127)**	**281,579**	**-**
Balance at 31 December 2021	**2,708,415**	**1,750,813**	**4,459,228**	**778,593**	**94,839**	**873,432**	**2,813,726**	**8,146,386**
Balance at 01 January 2020 as previously reported	1,650,334	911,253	**2,561,587**	411,061	145,399	**556,460**	**2,393,834**	**5,511,881**
Correction of prior period errors (note 41)	557,829	-	**557,829**	-	-	**-**	**-**	**557,829**
Balance at 01 January 2020 restated	**2,208,163**	**911,253**	**3,119,416**	**411,061**	**145,399**	**556,460**	**2,393,834**	**6,069,710**
Profit for the year restated	597,930	-	**597,930**	163,410	49,962	**213,372**	**-**	**811,302**
Actuarial gains and (losses) on defined benefit plans restated	3,251	-	**3,251**	-	-	**-**	**-**	**3,251**
Total comprehensive income restated	**601,181**	**-**	**601,181**	**163,410**	**49,962**	**213,372**	**-**	**814,553**
Movement in funds	(467,064)	359,646	**(107,418)**	(878)	(30,017)	**(30,895)**	**138,313**	**-**
Balance at 31 December 2020 restated	**2,342,280**	**1,270,899**	**3,613,179**	**573,593**	**165,344**	**738,937**	**2,532,147**	**6,884,263**

Notes:

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

University of Johannesburg

Consolidated and Separate Financial Statements for the year ended 31 December 2021

Statements of Cash Flows

Figures in R `000	Notes	Consolidated 2021	Consolidated 2020 Restated	University 2021	University 2020 Restated
Cash flows from operating activities					
Cash generated / (utilised) from (in) operating activities	35	**1,520,399**	**(207,687)**	**1,543,289**	**(203,184)**
Interest paid	30	(115)	(23,580)	(115)	(23,460)
Interest received	29	30,838	39,270	29,867	38,073
Net cash flows from / (used in) operating activities		**1,551,122**	**(191,997)**	**1,573,041**	**(188,571)**
Cash flows from / (used in) investing activities					
Payment of loans from / (to) related parties	8	(7,082)	(300)	12,917	1,488
Interest received	31	238,518	204,609	221,779	187,345
Dividends received	31	75,883	40,456	52,072	27,178
Proceeds from sales of property, plant and equipment		3,041	1,227	3,093	1,227
Purchase of property, plant and equipment	6	(201,178)	(247,077)	(198,881)	(209,616)
Aquisition of other receivables	10	-	(184,000)	-	(184,000)
Purchases of intangible assets	7	(517)	(6,543)	(517)	(6,535)
Proceeds of intangible assets	7	3,390	-	3,390	-
Cash flows from / (used in) investing activities		**112,055**	**(191,628)**	**93,853**	**(182,913)**
Cash flows used in financing activities					
Repayment of lease liability	16	(2,683)	(3,224)	(12,932)	(14,685)
Repayment of finance cost on lease liability	16	(492)	(246)	(1,717)	(1,483)
Cash flows used in financing activities		**(3,175)**	**(3,470)**	**(14,649)**	**(16,168)**
Net increase / (decrease) in cash and cash equivalents		**1,660,002**	**(387,095)**	**1,652,245**	**(387,652)**
Cash and cash equivalents at beginning of the year		1,144,530	1,531,625	1,125,866	1,513,518
Cash and cash equivalents at end of the year	**12**	**2,804,532**	**1,144,530**	**2,778,111**	**1,125,866**

Accounting Policies

1. General information

The consolidated and separate financial statements were authorised for issue by the Council on 23 June 2022.

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.

Accounting Policies

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 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.

Accounting Policies

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.
- the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

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.

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.

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.

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. 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 principle 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.

Accounting Policies

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 principle 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 plus transaction costs. 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 less any allowance for expected credit losses

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.

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.

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.

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 subsequetly 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 fair value.

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 detemination of revenue.

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

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

b) Research income in the scope of IFRS 15

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

2.13 Donations

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

2.14 Other income

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

2.15 Dividends and interest receivable

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

Accounting Policies

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.

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

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

Any unspent portion of such grant, at the end of the financial year, is transferred on the statement of change in 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.

2.18 Finance Income

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

2.19 Employee obligations

Pension obligations

The University operates various pension schemes. The schemes are generally funded through payments to trustee-administered funds, determined by periodic actuarial calculations. The University has both defined benefit and defined contribution plans.

Accounting Policies

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

The University contributes towards the following retirement funds:

- The University of Johannesburg Pension Fund, which 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. 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.

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 deducted in calculating the cost of the asset. The grant is carried as a liability in the statement of financial position until the University has complied with all the conditions attached to the purchase or construction of the asset, after which the grant is deducted from the carrying amount of the asset.

2.21 Borrowings

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

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

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:

Fund allocation continued...

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

- Committed funds
    - Capital projects
    - 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 2021 are disclosed in note 20.1. Changes in assumptions may result in changes in the recognised provision for post-retirement medical aid liability.

Depreciation of property, plant and equipment

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

Pension fund obligations

The present value of the pension obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions will impact the carrying amount of pension obligations. The University determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. Other key assumptions for pension obligations are based in part on current market conditions. Additional information is disclosed in note 20.2.

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').

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

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

5. Changes in accounting policies and disclosures

Standards and Interpretations effective and adopted in the current year

There were no new standards and interpretations effective and adopted in the current year.

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

	Effective date: Years beginning on or after	Expected impact
IFRS 1 First-time Adoption of International Financial Reporting Standards - Annual Improvements to IFRS Standards 2018–2020: Extension of an optional exemption permitting a subsidiary that becomes a first-time adopter after its parent to measure cumulative translation differences using the amounts reported by its parent, based on the parent's date of transition to IFRSs. A similar election is available to an associate or joint venture.	01 January 2022	Management has performed a high level impact assessment and are not expecting any material changes
IFRS 3 Business Combinations - Reference to the Conceptual Framework: The amendment updates a reference in IFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations.	01 January 2022	Management has performed a high level impact assessment and are not expecting any material changes
IFRS 4 Insurance Contracts - Extension of the Temporary Exemption from Applying IFRS 9 defers the fixed expiry date of the following temporary exemptions from applying IFRS 9 to annual periods beginning on or after 1 January 2023: - A temporary exemption from IFRS 9 granted to an insurer that meets specified criteria; and - An optional accounting policy choice allowing an insurer to apply the overlay approach to designated financial assets when it first applies IFRS 9.	01 January 2022	Management has performed a high level impact assessment and are not expecting any material changes
IFRS 9 Financial Instruments - Annual Improvements to IFRS Standards 2018–2020: The amendment clarifies which fees an entity includes when it applies the '10 per cent' test in assessing whether to derecognise a financial liability.	01 January 2022	Management has performed a high level impact assessment and are not expecting any material changes

Accounting Policies

IFRS 17 Insurance contracts - IFRS 17 creates one accounting model for all insurance contracts in all jurisdictions that apply IFRS. - IFRS 17 requires an entity to measure insurance contracts using updated estimates and assumptions that reflect the timing of cash flows and take into account any uncertainty relating to insurance contracts. - The financial statements of an entity will reflect the time value of money in estimated payments required to settle incurred claims. - Insurance contracts are required to be measured based only on the obligations created by the contracts. - An entity will be required to recognise profits as an insurance service is delivered, rather than on receipt of premiums. - This standard replaces IFRS 4 – Insurance contracts.	01 January 2023	Management has performed a high level impact assessment and are not expecting any material changes
IAS 1 Presentation of Financial Statements - Classification of Liabilities as Current or Non-current: Narrow-scope amendments to IAS 1 to clarify how to classify debt and other liabilities as current or non-current. Disclosure of Accounting Policies: The amendments require companies to disclose their material accounting policy information rather than their signif icant 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 def inition of a change in accounting estimates with a new def inition of accounting estimates. Under the new def inition, accounting estimates are “monetary amounts in f inancial statements that are subject to measurement uncertainty”. The requirements for recognising the ef fect 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

Accounting Policies

IAS 16 Property, Plant and Equipment - Property, Plant and Equipment: Proceeds before Intended Use: The amendments prohibit an entity from deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the cost of producing those items, in profit or loss.	01 January 2022	Management has performed a high level impact assessment and are not expecting any material changes
IAS 37 Provisions, Contingent Liabilities and Contingent Assets - Onerous Contracts—Cost of Fulfilling a Contract: The amendments specify which costs should be included in an entity's assessment whether a contract will be loss-making.	01 January 2022	Management has performed a high level impact assessment and are not expecting any material changes

Figures in R `000

6. **Property, plant and equipment**

Balances at year end and movements for the year

	Land & Buildings	Building Lifts	Buildings - ROU	Uninterrupted power supply	Vehicles	Vehicles - ROU	Furniture & equipment	Computer equipment	Electric generators	Air-conditioner plants	Air-conditioners	Network & Mainframe computer equipment	Total
Reconciliation for the year ended 31 December 2021 - Consolidated													
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)**
Net book value	**1,839,582**	**43,815**	**2,374**	**21,011**	**19,760**	**6,802**	**536,229**	**100,532**	**14,637**	**9,809**	**27,891**	**56,628**	**2,679,070**
Movements for the year ended 31 December 2021													
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**
Property, plant and equipment at the end of the year	**2,073,029**	**43,686**	**1,249**	**18,873**	**20,156**	**4,988**	**534,766**	**146,744**	**15,391**	**9,083**	**27,791**	**79,492**	**2,975,250**
Closing balance at 31 December 2021													
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)**
Net book value	**2,073,029**	**43,686**	**1,249**	**18,873**	**20,156**	**4,988**	**534,766**	**146,744**	**15,392**	**9,084**	**27,791**	**79,492**	**2,975,250**
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 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).

Figures in R `000

Property, plant and equipment continued...

	Land & Buildings	Building Lifts	Buildings - ROU	Uninterrupted power supply	Vehicles	Vehicles - ROU	Furniture & equipment	Computer equipment	Electric generators	Air-conditioner plants	Air-conditioners	Network & Mainframe computer equipment	Total
Reconciliation for the year ended 31 December 2020 - Consolidated													
Balance at 1 January 2020													
At cost	2,107,302	58,233	3,930	67,692	47,784	9,141	866,094	96,230	27,008	15,238	51,296	159,615	**3,509,563**
Accumulated depreciation	(356,840)	(13,544)	(1,105)	(47,306)	(28,621)	(457)	(366,215)	(30,457)	(12,292)	(4,704)	(22,059)	(105,497)	**(989,097)**
Net book value	**1,750,462**	**44,689**	**2,825**	**20,386**	**19,163**	**8,684**	**499,879**	**65,773**	**14,716**	**10,534**	**29,237**	**54,118**	**2,520,466**
Movements for the year ended 31 December 2020													
Additions from acquisitions	114,627	15	675	2,067	2,134	-	70,700	43,401	661	-	1,244	6,972	**242,495**
Depreciation	(25,507)	(890)	(1,126)	(1,442)	(1,537)	(1,814)	(33,230)	(8,602)	(740)	(724)	(2,590)	(4,434)	**(82,636)**
Remeasurement of lease liability	-	-	-	-	-	(68)	-	-	-	-	-	-	**(68)**
Disposals at cost	-	-	-	-	(107)	-	(2,651)	(1,164)	-	-	-	(1,285)	**(5,207)**
Depreciation on disposals	-	-	-	-	107	-	1,531	1,124	-	-	-	1,257	**4,019**
Property, plant and equipment at the end of the year	**1,839,582**	**43,815**	**2,374**	**21,011**	**19,760**	**6,802**	**536,229**	**100,532**	**14,637**	**9,809**	**27,891**	**56,628**	**2,679,070**
Closing balance at 31 December 2020													
At cost	2,226,770	58,250	4,605	69,759	49,745	9,073	934,001	137,696	27,668	15,238	52,540	165,303	**3,750,648**
Accumulated depreciation	(387,188)	(14,435)	(2,231)	(48,748)	(29,985)	(2,271)	(397,772)	(37,164)	(13,031)	(5,429)	(24,649)	(108,675)	**(1,071,578)**
Net book value	**1,839,582**	**43,815**	**2,374**	**21,011**	**19,760**	**6,802**	**536,229**	**100,532**	**14,637**	**9,809**	**27,891**	**56,628**	**2,679,070**
Assets with zero net carrying value as at 31 December 2020 included in the balances above (cost price).	7,952	1,200	-	25,040	9,700	-	30,850	12,710	1,800	-	2,762	53,728	145,742
During 2020, the useful lives of specific Computer equipment and Network & Mainframe computer equipment asset categories were adjusted with the following reduction in current year depreciation.	-	(1,028)	-	(3)	(504)	-	(13,127)	(2,852)	(247)	(1,547)	-	(2,660)	(21,968)

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

As of 31 December 2020, included in the carrying amount for Land & Buildings, is property to the value of R153 864 (2019: R106 490) that is still under construction.

During 2020, assets with a cost amount of R43 138 (2019: R66 001) were reduced as a result of government grants received (note 2.20 and note 19).

As of 31 December 2020, assets with an accumulated cost amount of R755 737 (2019: R712 599) were reduced as a result of government grants received (note 2.20 and note 19).

As of 31 December 2020, included in the carrying amount for Land & Buildings, is Land to the value of R115 620 (2019: R115 620).

Figures in R `000

Property, plant and equipment continued...

	Land & Buildings	Building Lifts	Buildings - ROU	Uninterrupted power supply	Vehicles	Vehicles - ROU	Furniture & equipment	Computer equipment	Electric generators	Air-conditioner plants	Air-conditioners	Network & Mainframe computer equipment	Total
Reconciliation for the year ended 31 December 2021 - University													
Balance at 1 January 2021													
At cost	2,030,593	53,329	50,254	69,759	49,482	9,073	928,658	136,641	27,668	15,238	52,470	165,303	**3,588,468**
Accumulated depreciation	(368,871)	(13,848)	(25,303)	(48,748)	(29,726)	(2,271)	(396,228)	(36,318)	(13,031)	(5,429)	(24,629)	(108,675)	**(1,073,077)**
Net book value	**1,661,722**	**39,481**	**24,951**	**21,011**	**19,756**	**6,802**	**532,430**	**100,323**	**14,637**	**9,809**	**27,841**	**56,628**	**2,515,391**
Movements for the year ended 31 December 2021													
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**
Property, plant and equipment at the end of the year	**1,895,609**	**39,474**	**12,537**	**18,873**	**20,156**	**4,988**	**531,005**	**146,564**	**15,391**	**9,085**	**27,744**	**79,491**	**2,800,919**
Closing balance at 31 December 2021													
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)**
Net book value	**1,895,609**	**39,474**	**12,537**	**18,873**	**20,156**	**4,988**	**531,005**	**146,565**	**15,392**	**9,084**	**27,744**	**79,492**	**2,800,919**
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 (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: R101 420).

Figures in R `000

Property, plant and equipment continued...

	Land & Buildings	Building Lifts	Buildings - ROU	Uninterrupted power supply	Vehicles	Vehicles - ROU	Furniture & equipment	Computer equipment	Electric generators	Air-conditioner plants	Air-conditioners	Network & Mainframe computer equipment	Total
Reconciliation for the year ended 31 December 2020 - University													
Balance at 1 January 2020													
At cost	1,951,631	53,312	27,024	67,692	47,521	9,141	865,748	94,492	27,008	15,238	51,226	159,615	**3,369,648**
Accumulated depreciation	(345,758)	(13,078)	(12,652)	(47,306)	(28,391)	(457)	(364,950)	(28,887)	(12,292)	(4,704)	(22,042)	(105,497)	**(986,014)**
Net book value	**1,605,873**	**40,234**	**14,372**	**20,386**	**19,130**	**8,684**	**500,798**	**65,605**	**14,716**	**10,534**	**29,184**	**54,118**	**2,383,634**
Movements for the year ended 31 December 2020													
Additions from acquisitions	79,135	15	23,230	2,067	2,134	-	65,562	43,313	661	-	1,244	6,972	**224,334**
Depreciation	(23,286)	(769)	(12,651)	(1,442)	(1,508)	(1,814)	(32,810)	(8,555)	(740)	(726)	(2,587)	(4,434)	**(91,322)**
Remeasurement of lease liability	-	-	-	-	-	(68)	-	-	-	-	-	-	**(68)**
Disposals at cost	-	-	-	-	(172)	-	(2,651)	(1,164)	-	-	-	(1,285)	**(5,272)**
Depreciation on disposals	-	-	-	-	172	-	1,531	1,124	-	-	-	1,257	**4,084**
Property, plant and equipment at the end of the year	**1,661,722**	**39,481**	**24,951**	**21,011**	**19,756**	**6,802**	**532,430**	**100,323**	**14,637**	**9,809**	**27,841**	**56,628**	**2,515,391**
Closing balance at 31 December 2020													
At cost	2,030,593	53,329	50,254	69,759	49,482	9,073	928,658	136,641	27,668	15,238	52,470	165,303	**3,588,468**
Accumulated depreciation	(368,871)	(13,848)	(25,303)	(48,748)	(29,726)	(2,271)	(396,228)	(36,318)	(13,031)	(5,429)	(24,629)	(108,675)	**(1,073,077)**
Net book value	**1,661,722**	**39,481**	**24,951**	**21,011**	**19,756**	**6,802**	**532,430**	**100,323**	**14,637**	**9,809**	**27,841**	**56,628**	**2,515,391**
Assets with zero net carrying value as at 31 December 2020 included in the balances above (cost price).	7,952	1,200	-	25,040	9,700	-	30,850	12,710	1,800	-	2,762	53,728	145,742
During 2020, the useful lives of specific Computer equipment and Network & Mainframe computer equipment asset categories were adjusted with the following reduction in current year depreciation. The reduction in depreciation will be recovered over the remaining useful lives of the asset, to the same value.	-	(1,028)	-	(3)	(504)	-	(13,127)	(2,852)	(247)	(1,547)	-	(2,660)	(21,968)

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

During 2020, assets with a cost amount of R43 138 (2019: R66 001) were reduced as a result of government grants received (note 2.20 and note 19).

As of 31 December 2020, assets with an accumulated cost amount of R755 737 (2019: R712 599) were reduced as a result of government grants received (note 2.20 and note 19).

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

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
Reconciliation for the year ended 31 December 2021 - Consolidated			
Balance at 1 January 2021			
At cost	57,600	1,602	**59,202**
Accumulated amortisation	(41,643)	-	**(41,643)**
Net book value	**15,957**	**1,602**	**17,559**
Movements for the year ended 31 December 2021			
Additions	517	-	**517**
Amortisation	(1,611)	-	**(1,611)**
Disposals at cost	(3,390)	-	**(3,390)**
Amortisation on disposals	-	-	**-**
Intangible assets at the end of the year	**11,473**	**1,602**	**13,075**
Closing balance at 31 December 2021			
At cost	54,844	1,602	**56,446**
Accumulated amortisation	(43,371)	-	**(43,371)**
Net book value	**11,473**	**1,602**	**13,075**
Reconciliation for the year ended 31 December 2020 - Consolidated			
Balance at 1 January 2020			
At cost	52,523	1,532	**54,055**
Accumulated amortisation	(41,571)	-	**(41,571)**
Net book value	**10,952**	**1,532**	**12,484**
Movements for the year ended 31 December 2020			
Additions	6,543	70	**6,613**
Amortisation	(1,538)	-	**(1,538)**
Disposals at cost	(1,170)	-	**(1,170)**
Amortisation on disposals	1,170	-	**1,170**
Intangible assets at the end of the year	**15,957**	**1,602**	**17,559**
Closing balance at 31 December 2020			
At cost	57,600	1,602	**59,202**
Accumulated amortisation	(41,643)	-	**(41,643)**
Net book value	**15,957**	**1,602**	**17,559**
During 2020, the useful lives of specific asset categories were adjusted with the following reduction in current year amortisation.	(767)	**-**	**(767)**

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

Notes to the Consolidated and Separate Financial Statements

Figures in R `000

Intangible assets continued...

Reconciliation for the year ended 31 December 2021 - University	Computer software	Artwork	Total
Balance at 1 January 2021			
At cost	57,592	1,602	**59,194**
Accumulated amortisation	(41,642)	-	**(41,642)**
Net book value	**15,950**	**1,602**	**17,552**
Movements for the year ended 31 December 2021			
Additions	517	-	**517**
Amortisation	(1,607)	-	**(1,607)**
Disposals at cost	(3,390)	-	**(3,390)**
Amortisation on disposals	-	-	**-**
Intangible assets at the end of the year	**11,470**	**1,602**	**13,072**
Closing balance at 31 December 2021			
At cost	54,719	1,602	**56,321**
Accumulated amortisation	(43,249)	-	**(43,249)**
Net book value	**11,470**	**1,602**	**13,072**
Reconciliation for the year ended 31 December 2020 - University			
Balance at 1 January 2020			
At cost	52,227	1,532	**53,759**
Accumulated amortisation	(41,278)	-	**(41,278)**
Net book value	**10,949**	**1,532**	**12,481**
Movements for the year ended 31 December 2020			
Additions	6,535	70	**6,605**
Amortisation	(1,534)	-	**(1,534)**
Disposals at cost	(1,170)	-	**(1,170)**
Amortisation on disposals	1,170	-	**1,170**
Intangible assets at the end of the year	**15,950**	**1,602**	**17,552**
Closing balance at 31 December 2020			
At cost	57,592	1,602	**59,194**
Accumulated amortisation	(41,642)	-	**(41,642)**
Net book value	**15,950**	**1,602**	**17,552**
During 2020, the useful lives of specific asset categories were adjusted with the following reduction in current year amortisation.	(767)	**-**	**(767)**

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

Notes to the Consolidated and Separate Financial Statements

Figures in R `000	Consolidated 2021	Consolidated 2020 Restated	University 2021	University 2020 Restated

8. Subsidiaries, associates and investments

8.1 Investments in subsidiaries

Cost of investment in commercial entities	-	-	217,766	193,817
Impairment of investments in commercial entities	-	-	(12,345)	(13,845)
	-	-	205,421	179,972

Impairment of investments in commercial entities relates mainly to an impairment made for an investment in Eyethenticate, as the entity is in the process of liquidation, and there is no possibility of recovering the investment.

Refer to note 41 for details of restatement pertaining to A Million Up Investments equity classification correction.

8.2 Investment in associates

Cost of investment	-	9,141	-	9,141
Accumulated provision for impairment of investment	-	(9,141)	-	(9,141)
	-	-	-	-

Photovoltaic Intellectual Property (Pty) Ltd (PTIP), is an associate of the University. The University's shareholding is 38.4%. The company does not share the same year end as the University, as its year end is 28 February. There were no changes to the University's shareholding in PTIP during 2021 and 2020.

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

8.3 Other investments

Cost of investments	4,884	4,112	4,884	4,111
	4,884	4,112	4,884	4,111

Other investments are investments in entities with a shareholding of less than 20%

Total investments in subsidiaries, associates and other investments	**4,884**	**4,112**	**210,305**	**184,083**

Notes to the Consolidated and Separate Financial Statements

Figures in R `000	Consolidated 2021	Consolidated 2020 Restated	University 2021	University 2020 Restated

Subsidiaries, associates and investments continued...

8.4 Loans to subsidiaries and other entities

Total loans to commercial entities	4,224	4,224	26,537	85,111
Re-payment of loans	-	-	-	(527)
Accumulated provision for impairment of loans	(4,224)	(4,224)	(13,576)	(72,574)
	-	-	12,961	12,010

8.5 Loans to associate

Total loans to associate opening balance	2,296	86,034	2,296	86,034
Write-off of loan	-	(83,738)	-	(83,738)
Loan repayment received	(2,296)	-	(2,296)	-
Carrying amount of loan - 31 December	-	2,296	-	2,296
Total loans in subsidiaries and associates	**-**	**2,296**	**12,961**	**14,306**

Impairment losses

The full Impairment on the PTIP loan has been accounted for in 2020, except for the amount of R2,296 as the final liquidation and distribution account was received including the final payment of R2,296 in January 2021.

9. Inventories

Consumables at cost	17,037	7,183	16,967	7,126

The cost of consumables recognised as an expense and included in items within ‘other operating expenses’ amounted to Consolidated R17 291 / University R17 291 (2020: Consolidated R16 636 / University R16 636).

The University does not hold any inventories as security.

Notes to the Consolidated and Separate Financial Statements

Figures in R `000	Consolidated 2021	Consolidated 2020 Restated	University 2021	University 2020 Restated

10. Trade and other receivables

Trade receivables	806,919	643,951	802,969	640,144
NSFAS and other student receipts	(114,739)	(279,441)	(114,739)	(279,441)
Provision for impairment	(534,567)	(275,282)	(530,862)	(271,416)
Student receivables - net carrying amount	**157,613**	**89,228**	**157,368**	**89,287**
Other receivables	**143,817**	**458,399**	**98,964**	**443,500**
Advances and pre-payments	43,184	14,980	41,219	14,927
Deposits	7,922	7,343	2,859	2,280
Staff loans, receivables and advances	90	289	90	289
Value added tax	1,960	7,672	276	6,541
Property transfers	-	184,000	-	184,000
Non-student receivables - net carrying amount	90,661	244,115	54,520	235,463
Non-student receivables	103,153	252,844	66,783	244,109
Less: Provision for impairment	(12,492)	(8,729)	(12,263)	(8,646)
	301,430	**547,627**	**256,332**	**532,787**

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

Included in Property transfers is R0 (2020: R184 000) due to the process of the purchase of a Media24 building as at 31 Decemeber 2020.

The University does not hold any receivables as security.

Refer to note 34 for disclosure relating to the University’s exposure to credit risk, as well as a reconciliation of the movement in the provision for impairment of student and other receivables.

Trade receivables

As of 31 December 2021, student receivables of Consolidated R157 613 / University R157 368 (2020: Consolidated R89 228 / University R89 287) 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	157,613	89,228	157,368	89,287
	157,613	**89,228**	**157,368**	**89,287**

As of 31 December 2020, student receivables of Consolidated R534 567 / University R530 862 (2020: Consolidated R275 282 / University R271 416) 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.

Notes to the Consolidated and Separate Financial Statements

Figures in R `000	Consolidated 2021	Consolidated 2020 Restated	University 2021	University 2020 Restated

Trade and other receivables continued...

The ageing of this provision is as follows:

Students enrolled in current year	336,977	117,801	333,272	113,935
Students enrolled in prior year	121,081	82,964	121,081	82,964
Students enrolled more than two years ago	76,509	74,517	76,509	74,517
	534,567	**275,282**	**530,862**	**271,416**

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

At 1 January	271,424	138,434	271,424	138,434
Provision for receivables impaired	332,721	191,954	329,016	191,954
Receivables written off during the year as uncollectable	(69,578)	(58,964)	(69,578)	(58,964)
At 31 December	**534,567**	**271,424**	**530,862**	**271,424**

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 2021, other receivables of Consolidated R103 153 / University R66 783 (2020: Consolidated R252 844 / University R244 109) were fully performing.

The ageing of these receivables are as follows:

Not past due	71,410	170,440	35,040	161,705
Past due	31,744	82,404	31,744	82,404
	103,153	**252,844**	**66,783**	**244,109**

As of 31 December 2021, other trade receivables of Consolidated R12 492 / University R12 263 (2020: Consolidated R8 729 / University R8 646) were impaired and provided for. Due to the nature of these receivables and a history of low defaults credit losses are deemed minimal. Some credit losses have been provided for based on an individual evaluation of individual trade receivables and historical default rates. It was assessed that a portion of the other trade receivables is expected to be recovered.

The ageing of the provision is as follows:

Up to 3 months	3,437	-	3,208	-
> 3 months	9,055	8,729	9,055	8,646
	12,492	**8,729**	**12,263**	**8,646**

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

At 1 January	8,729	10,212	8,646	10,129
Provision for impairment	5,374	6,908	5,228	6,908
Receivables written-off during the year	(1,611)	(8,391)	(1,611)	(8,391)
At 31 December	**12,492**	**8,729**	**12,263**	**8,646**

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

Notes to the Consolidated and Separate Financial Statements

Figures in R `000	Consolidated 2021	Consolidated 2020 Restated	University 2021	University 2020 Restated

11. Financial assets at fair value through profit or loss

Consolidated

	Cost 2021	Fair Value 2021	Cost 2020	Fair Value 2020
Opening balance 1 January	3,644,879	4,091,015	3,544,326	3,831,352
Net additions and disposals during the year	561,531	580,720	100,553	108,318
Investments fair value gains/(losses) (note 32)	-	280,373	-	151,345
	4,206,410	**4,952,108**	**3,644,879**	**4,091,015**

Fair value financial assets include the following:

	Cost 2021	Fair Value 2021	Cost 2020	Fair Value 2020
Government bonds and stocks	410,285	422,534	378,127	394,885
Listed - stocks and debentures	507,537	536,659	419,673	440,915
Listed - shares	2,953,012	3,653,944	2,578,961	2,990,307
Fixed deposits	54,111	56,786	53,890	51,227
Other deposits	254,246	254,966	183,244	183,557
Endowment policies	27,219	27,219	30,985	30,123
	4,206,410	**4,952,108**	**3,644,879**	**4,091,015**

University

Opening balance 1 January	2,913,698	3,236,097	2,788,450	2,986,662
Net additions and disposals during the year	395,912	400,915	125,248	133,015
Investments fair value gains/(losses) (note 32)	-	225,180	-	116,420
	3,309,610	**3,862,192**	**2,913,698**	**3,236,097**

Fair value financial assets include the following:

Government bonds and stocks	341,441	351,411	315,329	328,780
Listed - stocks and debentures	411,411	429,887	331,799	343,657
Listed - shares	2,251,622	2,772,375	2,011,204	2,311,618
Fixed deposits	54,111	56,786	53,890	51,227
Other deposits	223,806	224,514	170,492	170,692
Endowment policies	27,219	27,219	30,985	30,123
	3,309,610	**3,862,192**	**2,913,698**	**3,236,096**

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 2021. The valuations are performed by independent fund managers who manage the University's investments under agreed mandates.

Notes to the Consolidated and Separate Financial Statements

Figures in R `000	Consolidated 2021	Consolidated 2020 Restated	University 2021	University 2020 Restated

12. Cash and cash equivalents

Cash at bank and in hand	259,202	159,377	232,781	140,713
Short term cash deposits	2,545,330	985,153	2,545,330	985,153
Net cash and cash equivalents	**2,804,532**	**1,144,530**	**2,778,111**	**1,125,866**

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 34.

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

13. Short term deposits

Short term deposits	-	820,000	-	820,000

Short term deposits are deposits with a maturity term of greater than 3 months from acquisition, but not longer than 12 months.

Notes to the Consolidated and Separate Financial Statements

Figures in R `000	Consolidated 2021	Consolidated 2020 Restated	University 2021	University 2020 Restated

14. Provisions

Non-current provisions				
Provision for Deferred Compensation				
Opening Balance	1,172	1,534	1,172	1,534
Utilised during the year	(1,172)	(362)	(1,172)	(362)
Closing balance	-	1,172	-	1,172

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

Provision for City of Johannesburg				
Opening Balance	69,845	53,483	69,845	53,483
Additions	40,502	16,537	40,500	16,537
Utilised during the year	(73,808)	(175)	(73,806)	(175)
Closing balance	36,539	69,845	36,539	69,845

A provision has been recognised for incorrect utility charges by The City of Johannesburg to the University of Johannesburg. Refer to note 37 for further details.

Total non-current provisions	**36,539**	**71,017**	**36,539**	**71,017**

Current provisions				
Leave pay provision				
Opening Balance	66,112	68,793	66,112	68,793
Additions	50,230	50,491	50,230	50,491
Utilised during the year	(50,093)	(53,172)	(50,093)	(53,172)
Closing balance	66,249	66,112	66,249	66,112

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

Distribution provision				
Opening Balance	-	-	-	-
Additions	10,816	-	-	-
Utilised during the year	-	-	-	-
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.

Total current provisions	**77,065**	**66,112**	**66,249**	**66,112**

Notes to the Consolidated and Separate Financial Statements

Figures in R `000	Consolidated 2021	Consolidated 2020 Restated	University 2021	University 2020 Restated

15. Trade and other payables

Financial Instruments				
Current				
Trade Payables	25,076	53,249	24,293	52,426
Accruals	150,561	103,327	146,341	102,892
Other payables	1,448,531	1,005,801	1,449,056	1,006,755
	1,624,168	**1,162,377**	**1,619,690**	**1,162,073**
Non-Financial Instruments				
Current				
SARS Payable	82,018	54,938	82,018	54,938
Total trade and other payables	**1,706,186**	**1,217,315**	**1,701,708**	**1,217,011**

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 391 543 / University R1 391 543 (2020: Consolidated R945 573 / University R945 573) and Unallocated deposits of Consolidated R78 579 / University R78 579 (2020: Consolidated R54 690 / University R54 690).

16. Leases

Lease liability				
Current	3,062	3,175	14,087	14,649
Non-current	2,865	5,927	2,865	16,952

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).

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
Consolidated						
Buildings	2	2-3 years	1 years	-	-	-
Vehicles	16	3-4 years	2 years	-	-	-
University						
Buildings	3	2-3 years	1 years	-	-	-
Vehicles	16	3-4 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 27)

The lease liabilities are secured by the related underlying assets. Future minimum lease payments at 31 December 2021 were as follows:

	Within 1 year	1-2 years	2-3 years	> 3 years	Total
Consolidated					
31 December 2021					
Lease payments	3,795	2,435	1,383	-	7,613
Finance charges	(734)	(568)	(384)	-	(1,686)
Net present values	**3,061**	**1,867**	**999**	**-**	**5,927**
31 December 2020					
Lease payments	3,666	3,796	2,435	1,383	11,280
Finance charges	(492)	(734)	(568)	(384)	(2,178)
Net present values	**3,174**	**3,062**	**1,867**	**999**	**9,102**
University					
31 December 2021					
Lease payments	16,494	2,435	1,383	-	20,312
Finance charges	(2,408)	(568)	(384)	-	(3,360)
Net present values	**14,086**	**1,867**	**999**	**-**	**16,952**

Notes to the Consolidated and Separate Financial Statements

Figures in R `000	Consolidated 2021	Consolidated 2020 Restated	University 2021	University 2020 Restated

Leases continued...

31 December 2020					
Lease payments	16,365	16,495	2,435	1,383	36,678
Finance charges	(1,717)	(2,408)	(568)	(384)	(5,077)
Net present values	**14,648**	**14,087**	**1,867**	**999**	**31,601**

Reconciliation of liabilities arising from financing activities

	2020	Cash flows	Non - cash changes New leases	2021
Consolidation				
Lease liabilities	9,102	(3,175)	-	5,927
University				
Lease liabilities	31,601	(14,649)	-	16,952

	2019	Cash flows	Non - cash changes New leases	2020
Consolidation				
Lease liabilities	11,719	(3,470)	853	9,102
University				
Lease liabilities	23,124	(16,168)	24,645	31,601

17. Student deposits and accounts in credit

Student accounts in credit	229,096	165,900	229,096	165,900
Income received in advance	47,522	38,434	30,039	33,677
Deposits	196	920	196	920
	276,814	**205,254**	**259,331**	**200,497**

Notes to the Consolidated and Separate Financial Statements

Figures in R `000	Consolidated 2021	Consolidated 2020 Restated	University 2021	University 2020 Restated

18. Borrowings

Government loans secured by increment guarantees	263	796	263	796
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%.				
	263	**796**	**263**	**796**

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

Up to 1 year	263	533	263	533
Between 1 and 2 years	-	263	-	263
	263	796	263	796
Less: current portion	(263)	(533)	(263)	(533)
	-	**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.

19. Deferred income

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

Opening balance as at 1 January	352,839	369,438	352,839	369,438
Grants received during the year	32,393	58,933	32,393	58,933
Grants to be returned	-	(32,394)	-	(32,394)
Grants utilised to reduce asset cost	(93,785)	(43,138)	(93,785)	(43,138)
Grants utilised to reduce operating cost	(26,776)	-	(26,776)	-
	264,671	352,839	264,671	352,839
Non-current portion of deferred revenue	(78,798)	(202,254)	(78,798)	(202,254)
Current portion transferred to current liabilities	(185,873)	(150,585)	(185,873)	(150,585)
	(264,671)	**(352,839)**	**(264,671)**	**(352,839)**

Notes to the Consolidated and Separate Financial Statements

Figures in R `000	Consolidated 2021	Consolidated 2020 Restated	University 2021	University 2020 Restated
20. Retirement benefit assets and obligations				
Post-retirement medical benefits (note 20.1)	220,770	177,967	220,770	177,967
UJ Long service awards (note 20.4)	54,644	44,343	54,644	44,343
	275,414	**222,310**	**275,414**	**222,310**
Reconciliation of the actuarial gains / (losses) on long term employee benefits:				
Post-retirement medical benefits	(32,337)	32,242	(32,337)	32,242
UJ Pension fund	(177,196)	34,023	(177,196)	34,023
UJ Disability fund	23,434	4,173	23,434	4,173
UJ Long service awards	(3,818)	5,033	(3,818)	5,033
	(189,917)	75,471	(189,917)	75,471
Reconciliation of the change in asset limit:				
UJ Pension fund	309,293	(74,832)	309,293	(74,832)
UJ Disability fund	21,665	2,612	21,665	2,612
	330,958	(72,220)	330,958	(72,220)
Net Actuarial gain(losses) on defined benefit plans	**141,041**	**3,251**	**141,041**	**3,251**
UJ pension fund (note 20.2)	816,654	593,238	816,654	593,238

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

	2018	2019	2020	2021
Defined benefit obligation (note 20.1 and 20.4)	(266,573)	(245,118)	(222,310)	(275,414)
Fair value of plan assets (note 20.2)	62,182	577,377	593,238	816,654
Retirement benefit obligation (asset)	**(204,391)**	**332,259**	**370,928**	**541,240**

Figures in R `000	Consolidated 2021	Consolidated 2020 Restated	University 2021	University 2020 Restated

Retirement benefit assets and obligations continued...

20.1 Post-retirement medical benefits - Wholly unfunded

The University provides post-retirement medical benefits to certain qualifying employees in the form of continued medical aid contributions. Their entitlement to these benefits is dependent on the employee remaining in service until retirement. The accumulated post-retirement medical obligation and annual cost of those benefits is determined annually by independent actuaries. The actuarially determined liability based on the University's current practice of funding a portion of its retirees and in service members medical aid was valued at 31 December 2021.

	Consolidated 2021	Consolidated 2020 Restated	University 2021	University 2020 Restated
Present value of the obligation	(220,770)	(177,967)	(220,770)	(177,967)
	(220,770)	**(177,967)**	**(220,770)**	**(177,967)**

Reconciliation of the movement in the defined benefit obligation:

	Consolidated 2021	Consolidated 2020 Restated	University 2021	University 2020 Restated
Present value of obligation: beginning of the year	(177,967)	(200,326)	(177,967)	(200,326)
Current service cost	(1,586)	(2,373)	(1,586)	(2,373)
Interest cost	(22,194)	(20,317)	(22,194)	(20,317)
Benefits paid	13,314	12,807	13,314	12,807
	(188,433)	(210,209)	(188,433)	(210,209)
Less remeasurements:				
- (Gain)/loss from change in financial assumptions	27,162	(23,890)	27,162	(23,890)
- (Gain)/loss from change in demographic assumptions	5,175	(8,352)	5,175	(8,352)
	32,337	(32,242)	32,337	(32,242)
Present value of obligation: end of the period	**(220,770)**	**(177,967)**	**(220,770)**	**(177,967)**

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

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

Notes to the Consolidated and Separate Financial Statements

Figures in R `000	Consolidated 2021	Consolidated 2020 Restated	University 2021	University 2020 Restated

Retirement benefit assets and obligations continued...

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

Effective date of assumptions	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
Post retirement plan				
Discount rate	12.30%	12.90%	12.30%	12.90%
Health care cost inflation	10.10%	9.10%	10.10%	9.10%
Expected retirement age	65 yrs	65 yrs	65 yrs	65 yrs
CPI Inflation	4.00%	3.50%	4.00%	3.50%
UJ's best estimate of contributions and benefits expected to be paid to the plan during the annual period beginning after reporting date:	(13,313)	(12,686)	(13,313)	(12,686)

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

		Impact on defined benefit obligation	
	Change in assumption	**Increase in assumption**	**Decrease in assumption**
Healthcare cost inflation	1,00%	Increase by 10.7%	Deccrease by 9.2%
Discount rate	1,00%	Decrease by 9.4%	Increase by 11.1%

	Increase by 1 year in assumption	**Decrease by 1 year in assumption**
Expected retirement age	Decrease by 3.4%	Increase by 3.4%

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

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

Retirement benefit assets and obligations continued...

20.2 Pension obligations - Wholly funded

The University has established post retirement pension schemes that cover all employees. The assets of the fund are held in an independent trustee administered fund in terms of the Pensions Fund Act of 1956, as amended. The pension fund is valued by independent actuaries on an annual basis using the Projected Unit Credit Method.

The latest full actuarial valuation of the pension fund was performed on the 31 December 2021. 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. Refer to note 41 for restatement pertaining to par 65 limit correction.

Figures in R `000	Consolidated 2021	Consolidated 2020 Restated	University 2021	University 2020 Restated
Balance at end of the year				
Present value of the obligation	(782,506)	(789,004)	(782,506)	(789,004)
Fair value of plan assets	1,601,032	1,384,114	1,601,032	1,384,114
Defined benefit surplus at 31 December	**818,526**	**595,110**	**818,526**	**595,110**
Reconciliation of the present value of the obligation				
Defined benefit obligation at beginning of the year	789,004	768,770	789,004	768,770
Member contributions	1,143	1,400	1,143	1,400
Service cost	4,175	4,733	4,175	4,733
Interest cost	61,534	66,551	61,534	66,551
	855,856	841,454	855,856	841,454
Remeasurements:				
- Actuarial (gain)/loss	(5,767)	16,438	(5,767)	16,438
Benefit payments	(67,583)	(68,888)	(67,583)	(68,888)
Defined benefit obligation at 31 December	**782,506**	**789,004**	**782,506**	**789,004**
Reconciliation of the fair value of plan assets				
Fair Value of assets as at 1 January	1,384,114	1,348,019	1,384,114	1,348,019
University contributions	2,409	2,759	2,409	2,759
Member contributions	1,143	1,400	1,143	1,400
	1,387,666	1,352,178	1,387,666	1,352,178
Remeasurements:				
-Net interest income/expense	109,520	118,409	109,520	118,409
-Actuarial gain/(loss)	171,429	(17,585)	171,429	(17,585)
	280,949	100,824	280,949	100,824
Benefits paid	(67,583)	(68,888)	(67,583)	(68,888)
Fair Value of assets as at 31 December	**1,601,032**	**1,384,114**	**1,601,032**	**1,384,114**
The actual return on plan assets is as follows:	280,949	100,824	280,949	100,824

Notes to the Consolidated and Separate Financial Statements

Figures in R `000	Consolidated 2021	Consolidated 2020 Restated	University 2021	University 2020 Restated

Retirement benefit assets and obligations 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 healthcare benefit is payable for longer than expected.
- Open-ended, long-term liability: The risk that the liability may be volatile in the future and uncertain.
- Future changes in legislation: The risk that changes to legislation with respect to the post-retirement liability may increase the liability
- Future changes in the tax environment: The risk that changes in the tax legislation governing employee benefits may increase the liability
- Administration: Administration of this liability poses a burden to UJ.

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

Cash	2.58%	4.99%	2.58%	4.99%
Equity	41.78%	43.19%	41.78%	43.19%
Bonds	23.21%	22.16%	23.21%	22.16%
Property	3.71%	1.16%	3.71%	1.16%
International	27.59%	26.42%	27.59%	26.42%
Other	1.13%	2.08%	1.13%	2.08%
Total	100 %	100 %	100 %	100 %

Plan assets are valued at the current market value as required by IAS 19 as at 31 December 2021.

Discount rate	9.70%	8.10%	9.70%	8.10%
Inflation rate	5.50%	3.50%	5.50%	3.50%
Salary increase rate	6.50%	4.50%	6.50%	4.50%
Pension increase allowance (Ex-NTRF)	3.58%	1.93%	3.58%	1.93%
Pension increase allowance (Other pensioners)	3.03%	2.28%	3.03%	2.28%
UJ's best estimate of contributions expected to be paid to the plan during the annual period beginning after reporting date:	1,217	1,428	1,217	1,428

Sensitivity Analysis

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

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

We recalculated the liability to show the effect of:

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

Notes to the Consolidated and Separate Financial Statements

Figures in R `000

Retirement benefit assets and obligations continued...

	Obligation	+1%	-1%
Discount rate			
Defined benefit obligation	(782,506)	(723,161)	(855,709)
Change		-7.60%	9.40%
Inflation rate			
Defined benefit obligation	(782,506)	(827,182)	(743,108)
Change		5.70%	-5.00%

Notes to the Consolidated and Separate Financial Statements

Figures in R `000	Consolidated 2021	Consolidated 2020 Restated	University 2021	University 2020 Restated

Retirement benefit assets and obligations continued...

20.3 Disability Fund

The University provides post-retirement disability benefits to certain qualifying employees in the form of continued disability contributions. Their entitlement of these benefits continue to the end of the year in which the claimant reached the age of 65 and increase annually. The accumulated disability obligation and annual cost of those benefits is determined annually by independent actuaries. The actuarially determined liability which is reduced by the payments received from reinsurers was valued at 31 December 2021.

	Consolidated 2021	Consolidated 2020 Restated	University 2021	University 2020 Restated
Balance at end of the year				
Present value of the obligation	(42,427)	(40,879)	(42,427)	(40,879)
Fair value of plan assets	211,803	180,757	211,803	180,757
Unrecognised surplus due to IAS 19(a) limit	(169,376)	(139,878)	(169,376)	(139,878)
Defined benefit surplus at 31 December	-	-	-	-

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

Reconciliation of the movement in the defined benefit obligation:

	Consolidated 2021	Consolidated 2020 Restated	University 2021	University 2020 Restated
Present value of obligation: beginning of the year	40,897	45,342	40,897	45,342
Current service cost	1,721	1,502	1,721	1,502
Interest cost	2,031	3,220	2,031	3,220
	44,649	50,064	44,649	50,064
- Actuarial (gain)/loss	8,750	1,469	8,750	1,469
Benefits paid (net of reinsurance proceeds)	(10,972)	(10,636)	(10,972)	(10,636)
Present value of obligation: end of year	**42,427**	**40,897**	**42,427**	**40,897**

Reconciliation of the movement in the plan assets:

	Consolidated 2021	Consolidated 2020 Restated	University 2021	University 2020 Restated
Present value of assets beginning of the year	180,757	172,540	180,757	172,540
Contributions (net of reinsurance premiums)	(1,721)	(1,502)	(1,721)	(1,502)
Value of assets as at 31 December	179,036	171,038	179,036	171,038
Remeasurements:				
-Net interest income/expense	9,816	13,211	9,816	13,211
-Actuarial (loss)/gain	32,184	5,642	32,184	5,642
	42,000	18,853	42,000	18,853
Benefits (net of reinsurance premiums)	(9,233)	(9,134)	(9,233)	(9,134)
Value of assets as at 31 December	**211,803**	**180,757**	**211,803**	**180,757**

Notes to the Consolidated and Separate Financial Statements

Figures in R `000	Consolidated 2021	Consolidated 2020 Restated	University 2021	University 2020 Restated

Retirement benefit assets and obligations continued...

The actual return on plan assets is as follows:	42,000	18,853	42,000	18,853

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

Cash	0.56%	(0.13%)	0.56%	(0.13%)
Equity	51.71%	46.60%	51.71%	46.60%
Bonds	20.64%	19.19%	20.64%	19.19%
Property	3.50%	3.20%	3.50%	3.20%
International	22.64%	28.96%	22.64%	28.96%
Other	0.95%	2.18%	0.95%	2.18%
Total	100 %	100 %	100 %	100 %

Plan assets are valued at the current market value as required by IAS 19 as at 31 December 2021.

Claimants				
Number of members	19	21	19	21
Annual benefit	7,836	9,022	7,836	9,022
Annual reinsured benefit	1,074	1,259	1,074	1,259
Benefit weighted average service	56.8 yrs	58.2 yrs	56.8 yrs	58.2 yrs
Effective date of assumptions	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
The principal assumptions used for accounting purposes were as follows:				
General inflation rate	4.10%	2.40%	4.10%	2.40%
Discount rate	7.50%	5.60%	7.50%	5.60%
Expected increases in benefits	5.10%	3.40%	5.10%	3.40%

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

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

		Impact on defined benefit obligation	
	Change in assumption	**Increase in assumption**	**Decrease in assumption**
Inflation rate	1.00%	Increase by 5,3%	Decrease by 4,9%
Discount rate	1.00%	Decrease by 4,2%	Increase by 4,6%

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.

Notes to the Consolidated and Separate Financial Statements

Figures in R `000

Retirement benefit assets and obligations continued...

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

Figures in R `000	Consolidated 2021	Consolidated 2020 Restated	University 2021	University 2020 Restated

Retirement benefit assets and obligations continued...

20.4 Long service award

The University awards long service payments to qualifying staff as predetermined milestones are reached. The actuarially determined liability which is reduced by the provision made by the University was valued at 31 December 2021. This obligation is funded from University's reserves.

Reconciliation of the movement in the long service award obligation:

	Consolidated 2021	Consolidated 2020 Restated	University 2021	University 2020 Restated
Present value of obligation: beginning of the year	44,343	44,792	44,343	44,792
Current service cost	5,405	5,700	5,405	5,700
Interest cost	4,238	3,935	4,238	3,935
	53,986	54,427	53,986	54,427
- Actuarial (gain)/loss	3,818	(5,033)	3,818	(5,033)
Benefits paid	(4,021)	(5,051)	(4,021)	(5,051)
Present value of obligation: end of period	**53,783**	**44,343**	**53,783**	**44,343**
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

The significant actuarial assumptions were as follows:

	Consolidated 2021	Consolidated 2020 Restated	University 2021	University 2020 Restated
Discount rate	10.10%	10.00%	10.00%	10.00%
Salary inflation	7.10%	6.50%	6.50%	6.50%
CPI inflation	5.60%	5.00%	5.00%	5.00%
Expected retirement age	65 yrs	65 yrs	65 yrs	65 yrs

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

	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	1%	Decrease by 7.9%	Increase by 7%
Salary inflation	1%	Increase by 8.8%	Decrease by 7.8%
Expected retirement age	1 year	Increase by 3.9%	Decrease by 4.1%

Notes to the Consolidated and Separate Financial Statements

Figures in R `000	Consolidated 2021	Consolidated 2020 Restated	University 2021	University 2020 Restated

21. State appropriations - subsidies and grants

Block grant	2,572,371	2,436,000	2,572,371	2,436,000
University capacity development	54,505	54,505	54,505	54,505
Foundation phase development	60,841	52,427	60,841	52,427
Interest and redemption of government approved loans	526	767	526	767
Clinical training of health professionals	11,943	16,137	11,943	16,137
nGAP	-	12,956	-	12,956
	2,700,186	**2,572,792**	**2,700,186**	**2,572,792**

22. Tuition and other fee income

Tuition Fees	1,898,348	1,699,779	1,898,348	1,699,779
Registration Fees	33,966	33,461	33,966	33,461
Levy Income	31,079	30,995	31,079	30,995
Other Fees	778	210	778	210
Tuition and other related fees	1,964,171	1,764,445	1,964,171	1,764,445
Residence Fees	208,504	210,456	196,453	201,379
	2,172,675	**1,974,901**	**2,160,624**	**1,965,824**

23. Research income

Research income NRF	156,855	135,393	156,855	135,393
Contract Research International	52,957	29,412	52,957	29,412
Contract Research National	84,736	68,863	84,989	68,863
Non-obligated Research income	24,408	11,818	24,408	11,818
Research donations	2,112	85	2,112	85
	321,068	**245,571**	**321,321**	**245,571**

24. Other operating income

Sundry income	19,990	8,837	20,127	8,872
Hire out of facilities	2,678	4,612	2,678	4,625
Consultation/Evaluation income	6,624	5,313	6,624	5,313
Project income	27,781	76,324	18,675	73,873
Public sales and services	97,469	52,471	38,433	34,870
Other income	59,001	4,887	58,999	4,887
Insurance claim	3,716	2,237	3,716	2,237
PPE gains	211	39	211	39
Donations	141,790	157,416	166,790	205,416
Total other income	**359,260**	**312,136**	**316,253**	**340,132**

Notes to the Consolidated and Separate Financial Statements

Figures in R `000	Consolidated 2021	Consolidated 2020 Restated	University 2021	University 2020 Restated

25. Personnel costs

Academic professionals	1,345,430	1,230,286	1,345,430	1,230,286
Support personnel	1,522,313	1,443,932	1,469,118	1,412,439
Other post-retirement costs	119,691	12,652	119,691	12,652
Pension cost - defined contribution plans	221,378	207,175	221,378	207,175
Pension cost - defined benefit plans	6,879	7,224	6,879	7,224
	3,215,691	**2,901,269**	**3,162,496**	**2,869,776**

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

Full Time	4,342	4,498	4,319	4,411
Part Time	4,752	3,622	3,202	3,167

26. Bursaries Awarded

Student bursaries awarded	459,814	495,231	459,814	495,231

Notes to the Consolidated and Separate Financial Statements

27. Other expenses

Figures in R `000	Consolidated 2021	Consolidated 2020 Restated	University 2021	University 2020 Restated
Other expenses comprise:				
Auditors remuneration	15,657	14,420	15,386	14,364
- external audit	7,778	7,205	7,575	7,205
- internal audit	5,586	4,662	5,586	4,662
- other audit services	2,293	2,553	2,225	2,497
Advertising	35,638	38,727	35,517	38,317
Bank charges	7,231	7,160	7,145	7,103
Books and periodicals	140,875	137,584	140,875	137,584
Cartridges	1,042	2,665	1,040	2,663
Cleaning	18,014	23,946	17,150	23,342
Conference registration fees	5,697	8,254	5,697	8,251
Consulting fees	77,284	71,769	74,483	69,786
Copyright fees	6,494	6,125	6,494	6,125
Corporate functions	2,639	2,706	2,639	2,706
Cost of sales	9,603	2,178	9,603	2,178
Data lines	7,437	6,924	7,437	6,924
Foreign exchange (gains)/losses	(583)	1,198	(583)	1,198
Fuel, Oil and Gas	9,171	7,947	8,758	7,608
Functions and entertainment	14,419	14,892	14,355	14,668
Grants and donations	6,467	679	2,517	679
Insurance	15,524	12,131	15,519	12,127
Leases of low value assets	810	810	810	810
Legal expense	12,966	11,966	12,796	11,740
Medical Aid Pensioners	12,999	12,638	12,999	12,638
Membership fees	11,235	9,076	11,213	9,031
Municipal rates, taxes and electricity	186,008	154,108	179,298	146,727
Other expenses	104,533	145,433	161,002	128,359
Printing	18,138	19,410	17,685	19,211
Protective clothing	12,277	5,970	11,549	5,751
Repairs and maintenance	98,962	117,640	104,498	121,923
Security contracts	28,210	22,536	27,629	22,536
Services Rendered - outsourced	80,398	41,473	75,681	40,662
Short-term leases	22,781	43,142	21,325	41,164
Software licenses	87,192	68,300	86,312	67,651
Staff development	13,459	11,748	12,922	11,430
Stationery	2,476	3,337	2,368	3,261
Student expenses	9,390	9,430	9,390	9,430
Tax expense in subsidiaries	948	(203)	-	-
Teaching and laboratory consumables	35,602	28,880	34,739	28,584
Telephone and fax	3,676	3,750	3,364	3,330
Travel and accommodation	22,988	28,010	22,866	27,986
	1,137,657	**1,096,759**	**1,172,478**	**1,067,847**

Notes to the Consolidated and Separate Financial Statements

Figures in R `000	Consolidated 2021	Consolidated 2020 Restated	University 2021	University 2020 Restated

28. Impairment (gains)/ losses

Loans to subsidiaries and other entities	9,378	3,127	(13,072)	3,127
Other	-	5,012	-	-
	9,378	**8,139**	**(13,072)**	**3,127**

An impairment gain was recognised during the 2021 period as a result of a reversal of provision for impairment of loans with Resolution Circle. The impairment provision was reversed as the loan was subsequently capitalised.

29. Finance income

Student fees	27,816	33,886	27,675	33,730
Current accounts	3,022	5,384	2,192	4,343
Defined benefit plan	39,573	22,873	39,573	22,873
	70,411	**62,143**	**69,440**	**60,946**

30. Finance costs

Borrowings	115	277	115	158
Lease obligations	492	247	1,717	1,483
	607	**524**	**1,832**	**1,641**

31. Income from investments

Dividends on fair value through profit or loss financial assets	75,883	40,456	52,072	27,178
Interest on fair value through profit or loss financial assets	238,518	204,609	221,779	187,345
	314,401	**245,065**	**273,851**	**214,523**

32. Investments fair value gains/(losses)

Fair value movement transfer on disposal of investments	366,265	34,313	267,774	22,818
Profit on sale of investments	366,921	45,216	267,774	31,884
Loss on sale of investments	(656)	(10,903)	-	(9,066)
Unrealised fair value movement transfer on investments	280,373	151,345	225,180	116,420
Unrealised profit	287,323	180,723	230,704	142,316
Unrealised loss	(6,950)	(29,378)	(5,524)	(25,896)
Fair value movement on investments	**646,638**	**185,658**	**492,954**	**139,238**

Notes to the Consolidated and Separate Financial Statements

Figures in R `000

33. Related parties

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

Entity and principal business activities	Year End	Shareholding	Principal place of business
• UJInvnt (Pty) Ltd The Company is a wholly-owned (100%) private holding company of the Shareholder, established for the following purpose: * the commercialisation on behalf of the University including, but not limited, to the following: Intellectual Property, providing technical and training services, consultancy services and courses; and * a Company that will hold shareholding on behalf of the Shareholder, and act as the Holding Company for commercial activities.	31 December	100%	Cnr University and Kingsway Rd, Auckland Park
• Resolution Circle (Pty) Ltd Resolution Circle is a training hub that prides itself on providing experiential learning opportunities to undergraduate electrical and mechanical engineering students from universities of technology, practical in-service project training, various short-learning and candidacy programs applicable to the ever-changing world of engineering and engineering technology.	31 December	100% Through UJInvnt (Pty) Ltd	Qoboza Klaaste Building, 20 Heights St, Doornfontein
• Million Up Trading (Pty) Ltd The principal activities of this company is to provide accommodation to students.	31 December	100%	Cnr University and Kingsway Rd, Auckland Park
• UJ Properties (Pty) Ltd The principal activities of this company is engaged in property holding and operates principally in South Africa.	31 December	100%	Cnr Barry Hertzog Rd and Napier Rd, Richmond
• University of Johannesburg / City Lodge Educational Trust The Trust is a separate entity with the University being its sole beneficiary. The principal activity of the Trust is to maintain its assets for capital growth and for the sole benefit of the University through an annual distribution. The funds are managed by an independent Board of Trustees, 2 appointed by City Lodge and 2 appointed by the University of Johannesburg.	30 June	N/A	Cnr University and Kingsway Rd, Auckland Park

Notes to the Consolidated and Separate Financial Statements

Figures in R `000

Related parties continued...

• UJ Trust The UJ Trust is a related party to the University of Johannesburg by virtue of control vesting in the Trustees, as appointed by the University, as well as the University being its sole beneficiary. The Trust's main objective is to support the strategic objectives of the University financially in its capacity as a PBO.	31 December	N/A	Cnr University and Kingsway Rd, Auckland Park
• UJ Metropolitan Academy Trust 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.	31 December	N/A	Cnr University and Kingsway Rd, Auckland Park
• Gradnet Portal (Pty) Ltd The principal activities of this company is to supply online services to students and alumni of education institutions. Inactive, company in process of liquidation	31 December	100%	Cnr University and Kingsway Rd, Auckland Park
• IntelliLAB (Pty) Ltd IntelliLAB is a Media Production Company. Its objective is to create innovative video content for mostly TV channels, but also to integrate all possible media channels. Inactive, company in process of liquidation.	31 December	100%	Cnr University and Kingsway Rd, Auckland Park

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**
• EyeThenticate (Pty) Ltd Retina scanning technology. Inactive, company in process of liquidation.	28 February	43.80%	N/A	Cnr University and Kingsway Rd, Auckland Park
• Naledi Computer Systems (Pty) Ltd The principal activities of this company is to provide computer related services, products and technology. Inactive, company in process of liquidation.	31 December	80.00%	20.00%	Forty Four Main Street, Johannesburg

Notes to the Consolidated and Separate Financial Statements

Figures in R `000

Related parties continued...

• Photovoltaic Intellectual Property (Pty) Ltd The principal activities of this company is to research, develop and manufacture a renewable energy photovoltaic panel. Inactive, company in process of liquidation.	28 February	38.44%	N/A	Zidela House, 30 Techno Avenue, Techno Park, Stellenbosch
• Praestet (Pty) Ltd Production of paediatric hospital beds that effectively facilitates treatment of children in hospital. Shareholding still in process of being resolved.	31 December	N/A	N/A	115 Roseways 17 Tyrwhitt Avenue Roseways
• University Sports Company (Pty) Ltd The principal business of the company is to promote High Performance Sport in furtherance of the various sporting activities offered by Member Universities as envisaged in the CMRA. This includes, but will not be limited to, the administration, development and co-ordination of High performances Sport for Member Universities after consultation with the USSA NEC.	31 December	4.00%	N/A	Cnr University and Kingsway Rd, Auckland Park
• Verisol (Pty) Ltd The principal activities of this company is to provide an electronic verification system where academic results and qualifications can be verified.	28 February	10.00%	N/A	17 Quantum Street Techno Park, Stellenbosch
• Youth Development Institute of South Africa YDISA was established to conduct youth development research, develop youth development programmes and projects, implement in pilot youth development programmes, develop models for the youth sector, manage and disseminate youth development knowledge and inform youth related policies. Inactive, company in process of deregistration.	31 December	50.00%	N/A	Cnr University and Kingsway Rd, Auckland Park

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Figures in R `000	Consolidated 2021	Consolidated 2020 Restated	University 2021	University 2020 Restated

Related parties continued...

33.1 Key Management personnel

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

Compensation paid to key management and members of Council

Salaries and other short-term employee benefits				
- members of council	911	848	911	848
- management (note 41)	70,884	62,740	70,884	62,740
	71,795	63,588	71,795	63,588

Members of Council				
Baleni MF	100	82	100	82
Dlamini S	43	38	43	38
Gebhardt CR	8	4	8	4
Gugushe K	72	76	72	76
Hildebrandt D	47	51	47	51
Kakana X	55	42	55	42
Khosa G	47	51	47	51
Khoza M	51	42	51	42
Khumalo M	64	55	64	55
Mateza L	19	19	19	19
Matlala Z	41	50	41	50
Tshilande MC	64	51	64	51
Ndema Y	76	69	76	69
Rowland W	123	114	123	114
Teke MS	99	90	99	90
Van Staden C	4	13	4	13
	911	848	911	848

Notes to the Consolidated and Separate Financial Statements

Figures in R `000

Related parties continued...

Payment to members of Council

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

To whom paid	Number of Members	Attendance at meetings – aggregate amount paid R’000	Reimbursement of expenses - aggregate paid
31 December 2021			
Chair of Council	2	174	-
Chairs of Committees	6	359	-
Members of Council	8	378	-
31 December 2020			
Chair of Council	2	159	-
Chairs of Committees	6	354	2
Members of Council	8	335	-

Figures in R `000

Related parties continued...

33.2 Related party transactions and balances

Loans to related parties:

Consolidated	Photovoltaic Intellectual Property (Pty) Ltd		Praestet (Pty) Ltd		Zepher		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
Opening balance	2,296	5,772	-	3,335	-	589	**2,296**	**9,696**
Loans advances during year	-	-	-	300	-	-	**-**	**300**
Reallocation/Write off	(2,296)	(3,476)	-	-	-	-	**(2,296)**	**(3,476)**
Impairment of loan	-	-	-	(3,635)	-	(589)	**-**	**(4,224)**
Closing balance	**-**	**2,296**	**-**	**-**	**-**	**-**	**-**	**2,296**

University	Photovoltaic Intellectual Property (Pty) Ltd		Resolution Circle (Pty) Ltd		A Million Up Investments 76 (Pty) Ltd		Praestet (Pty) Ltd		Zepher		Total	
	2021	2,020	2021	2,020	2021	2,020	2021	2,020	2021	2,020	2021	2,020
Opening balance	2,296	5,772	-	527	12,010	12,971	-	-	-	589	**14,306**	**19,859**
Loans advances during year	-	-	-	-	951	-	-	150	-	-	**951**	**150**
Loans repayment received	-	-	-	(527)	-	(961)	-	-	-	-	**-**	**(1,488)**
Reallocation/Write off	(2,296)	(3,476)	-	-	-	-	-	-	-	-	**(2,296)**	**(3,476)**
Impairment of loan	-	-	-	-	-	-	-	(150)	-	(589)	**-**	**(739)**
Closing balance	**-**	**2,296**	**-**	**-**	**12,961**	**12,010**	**-**	**-**	**-**	**-**	**12,961**	**14,306**

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

Investments in related parties:

University	UJIvnt (Pty) Ltd		UJ Properties (Pty) Ltd		A Million Up Investments 76 (Pty) Ltd		Gradnet Portal (Pty) Ltd		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Opening balance	300	45	90,636	90,636	85,431	44,773	3,605	3,605	**179,972**	**139,059**
Investments during year	25,449	255	-	-	-	40,658	-	-	**25,449**	**40,913**
Closing balance	**25,749**	**300**	**90,636**	**90,636**	**85,431**	**85,431**	**3,605**	**3,605**	**205,421**	**179,972**

Notes to the Consolidated and Separate Financial Statements

Figures in R `000	Consolidated 2021	Consolidated 2020 Restated	University 2021	University 2020 Restated
Related parties continued...				
33.3 Related party transactions and balances				
The following transactions were carried out with related parties				
(a) Purchase of goods and services				
Purchases of services:				
from Resolution Circle (Pty) Ltd	-	-	7,892	7,437
from UJ Properties (Pty) Ltd	-	-	11,043	11,044
(b) Sale of goods and services				
Sale of services:				
to Resolution Circle (Pty) Ltd	-	-	402	253
to Youth Development Institute of South Africa	-	12	-	12
to UJ Properties (Pty) Ltd	-	-	3,545	590
to University Sports Company (Pty) Ltd	143	315	143	315
to Gradnet Portal (Pty) Ltd	-	-	-	-
to Million Up Trading (Pty) Ltd	-	-	4,432	3,401
(c) Year-end balances arising from purchases of goods/services				
Payables to related parties:				
Resolution Circle (Pty) Ltd	-	-	167	373
UJ Properties (Pty) Ltd	-	-	1,058	1,058
(d) Year-end balances arising from sales of goods/services:				
Receivables from related parties:				
Resolution Circle (Pty) Ltd	-	-	-	95
UJ Properties (Pty) Ltd	-	-	-	20
University Sports Company (Pty) Ltd	-	26	-	26
(f) Donations to and from related parties:				
Donation to related parties:				
Million Up Trading (Pty) Ltd	-	-	-	40,658
Donation from related parties:				
UJ Trust	-	-	25,000	48,000

34. Financial risk management

Overview

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

This note explains the group's exposure to financial risks and how these risks could affect the group's future financial performance. Current year profit and loss information has been included where relevant to add further context.

34.1

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

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

34.2 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, may affect the University's income or the value of its holdings of financial assets. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on investments. This is principally done by way of mandate agreements with the Fund Managers which specify the asset allocation to manage the risk profile of the investments. The University has no portfolios that have speculative characteristics and return targets are over the long term. For the spread of the various investment types, refer to note 11.

i) Currency risk

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

Notes to the Consolidated and Separate Financial Statements

Figures in R `000	Consolidated 2021	Consolidated 2020 Restated	University 2021	University 2020 Restated

Financial risk management continued...

ii) Interest rate risk

The University has large interest-bearing investments. Its investment policy allows management to invest working capital in interest-bearing, short-term investments up to one year. The period of each investment is linked to the cash-flow requirements to fund the University's operations. These short-term investments are invested with the five major South African commercial banks at the ruling interest rate on the day of investment. The rates are fixed for the period of the investment. The amount invested in this manner is specified in note 11.

A 1% change in the interest rate could have a Consolidated R25 453 / University R25 453 (2020: Consolidated R18 052 / University R18 052) interest income influence on an annual basis ie. a Consolidated R25 453 / University R25 453 (2020: Consolidated R18 052 / University R18 052) 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 R25 453/ University R25 453 (2020: Consolidated R18 052 / University R18 052).

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

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

iii) Price Risk

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

Listed equities	2,251,622	2,990,307	2,011,204	2,311,618
10% change impact	200,000	300,000	200,000	200,000

For the period ended 31 December 2021, if the FTSE/JSE CAPI index increased/ decreased by 10% with all other variables held constant and all the University's equity instruments moved according to the historical correlation with the index, the non-current investment revaluation amount on the statement of financial position would be Consolidated R2 251 622 / University R2 011 204 (2020: Consolidated R2 990 307 / University R2 311 618) 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.

Financial risk management continued...

34.3 Credit risk

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

The counterparties to investments 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.

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

i) Student and other receivables

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

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

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

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

Details of the student receivables as at 31 December 2021:

Notes to the Consolidated and Separate Financial Statements

Figures in R `000	Consolidated 2021	Consolidated 2020 Restated	University 2021	University 2020 Restated

Financial risk management continued...

Student receivables	692,180	364,510	688,230	360,703
- fully performing	-	-	-	-
- past due but not impaired (4 months overdue)	157,613	89,228	157,368	89,287
- impaired (more than 4 months overdue)	534,567	275,282	530,862	271,416
Less: Provision for impairment	(534,567)	(275,282)	(530,862)	(271,416)
Student receivables – net carrying amount	**157,613**	**89,228**	**157,368**	**89,287**

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

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

· Full payment is required within 60 days from statement date;

· The University will charge interest on arrear amounts in terms of the Prescribed Rate of Interest Act (No. 55 of 1975), as amended; and

· Credit facilities will be suspended when debtor accounts are outstanding in excess of 90 days from the date of statement, unless alternative payment arrangements have been negotiated.

The following actions are taken in respect of overdue invoices:

· Outstanding for 60 days: A reminder letter requesting immediate payment is enclosed with the statement of account.

· Outstanding for 81 days: The statement of account is accompanied by a letter of demand stating that legal action will be taken

· Unpaid debts over 102 days: When a letter of demand has been sent and no payment or communication has been received

The provision for impairment is calculated based on the following:

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

Details of the other receivables as at 31 December 2021 are as follows:

Other receivables	156,309	467,128	111,227	452,146
- fully performing	143,817	458,399	98,964	443,500
- past due but not impaired	-	-	-	-
- impaired	12,492	8,729	12,263	8,646
Less: Provision for impairment	(12,492)	(8,729)	(12,263)	(8,646)
Other receivables – net carrying amount	**143,817**	**458,399**	**98,964**	**443,500**

Notes to the Consolidated and Separate Financial Statements

Figures in R `000	Consolidated 2021	Consolidated 2020 Restated	University 2021	University 2020 Restated
Financial risk management continued...				
Student receivables				
At 1 January	271,424	138,434	271,424	138,434
Provision for receivables impaired	332,721	191,954	329,016	191,954
Receivables written off during the year as uncollectable	(69,578)	(58,964)	(69,578)	(58,964)
At 31 December	**534,567**	**271,424**	**530,862**	**271,424**
Ageing of provision for impairment				
Handed over to collecting agencies – 2018	-	74,517	-	113,935
Handed over to collecting agencies – 2019	76,509	82,964	76,509	82,964
Handed over to collecting agencies – 2020	121,081	-	121,081	-
4 Months overdue	336,977	117,801	333,272	74,517
	534,567	**275,282**	**530,862**	**271,417**
Other receivables				
At 1 January	8,729	10,212	8,646	10,129
Provision for receivables impaired	5,374	6,908	5,228	6,908
Receivables written off during the year as uncollectable	(1,611)	(8,391)	(1,611)	(8,391)
At 31 December	**12,492**	**8,729**	**12,263**	**8,646**
Ageing of provision for impairment				
Handed over to collecting agencies – 2018	-	878	-	878
Handed over to collecting agencies – 2019	569	2,095	569	2,095
Handed over to collecting agencies – 2020	1,929	1,515	1,929	1,515
Handed over to collecting agencies – 2021	1,671	-	1,671	-
Impaired as at reporting date	8,323	6,399	8,094	2,428
	12,492	**10,887**	**12,263**	**6,916**

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

Student receivables

	Current Year	Prior Year	More than two years ago	Total
Consolidated - 2021				
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 %
Consolidated - 2020				
Gross receivable	206,470	82,964	74,517	363,951
Provision for expected losses	117,801	82,964	74,517	275,282
Expected loss rate	57 %	100 %	100 %	76 %

Notes to the Consolidated and Separate Financial Statements

Figures in R `000	Consolidated 2021	Consolidated 2020 Restated	University 2021	University 2020 Restated
Financial risk management continued...				
University - 2021				
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 %
University - 2020				
Gross receivable	202,663	82,964	74,517	360,144
Provision for expected losses	113,935	82,964	74,517	271,416
Expected loss rate	56 %	100 %	100 %	75 %

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 2022 academic year. It is the University policy that returning students are not allowed to register with outstanding fee debt.

Figures in R `000

Financial risk management continued...

Other receivables

	Current	0 - 30 days	30 - 60 days	60 days +	Total
Consolidated - 2021					
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 %
Consolidated - 2020					
Gross receivable	219,512	9,708	6,528	17,096	252,844
Provision for expected losses	-	-	-	8,729	8,729
Expected loss rate	0 %	0 %	0 %	51 %	3 %
University - 2021					
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 %
University - 2020					
Gross receivable	210,777	9,708	6,528	17,096	244,109
Provision for expected losses	-	-	-	8,646	8,646
Expected loss rate	0 %	0 %	0 %	51 %	4 %

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

The credit risk identified above relates to the disclosure presented in Note 10.

The other classes within other receivables do not contain impaired assets. The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable mentioned above. The University does not hold any collateral as security.

Credit quality of financial assets

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

Notes to the Consolidated and Separate Financial Statements

Figures in R `000	Consolidated 2021	Consolidated 2020 Restated	University 2021	University 2020 Restated
Financial risk management continued...				
Trade receivables				
Counter parties without external credit rating:				
- Current students which will register in 2022.	157,613	89,228	157,368	89,287
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 (2020: BB+) rated entities.				
- Other receivables	90,661	244,115	54,520	235,463
Group 1 *				
	248,274	**333,343**	**211,888**	**324,750**
Cash and cash equivalents				
BB (2020: BB+) Rating:				
- Prime South African Bank	2,804,532	1,805,152	2,778,111	1,805,152
	2,804,532	**1,805,152**	**2,778,111**	**1,805,152**
Fair value financial assets				
BB (2020: BB+) Rating:				
- Government stocks and bonds	422,534	394,885	351,411	328,780
- Listed stocks and debentures	536,659	440,915	429,887	343,657
- Listed shares all top 40 companies	3,653,944	2,990,307	2,772,375	2,311,618
- Fixed and other deposits, prime South African Banks	311,752	234,784	281,300	221,919
- Endowment policies, top 40 South African insurance companies	27,219	30,123	27,219	30,123

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

Notes to the Consolidated and Separate Financial Statements

Figures in R `000

Financial risk management continued...

34.4 Liquidity risk

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

The table below analyses the University's financial liabilities according to relevant maturity groupings based on the remaining period at the statement of financial position date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 Years	Over 5 Years	Total
Consolidated					
31 December 2021					
Borrowings	263	-	-	-	263
Accounts payable	1,624,168	-	-	-	1,624,168
	1,624,431	**-**	**-**	**-**	**1,624,431**
31 December 2020					
Borrowings	533	263	-	-	796
Accounts payable	1,162,377	-	-	-	1,162,377
	1,162,910	**263**	**-**	**-**	**1,163,173**
University					
31 December 2021					
Borrowings	263	-	-	-	263
Accounts payable	1,619,690	-	-	-	1,619,690
	1,619,953	**-**	**-**	**-**	**1,619,953**

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 Years	Over 5 Years	Total
31 December 2020					
Borrowings	533	263	-	-	796
Accounts payable	1,162,073	-	-	-	1,162,073
	1,162,606	**263**	**-**	**-**	**1,162,869**

Figures in R `000

Financial risk management continued...

34.5 Capital risk management

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

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

Figures in R `000

Financial risk management continued...

34.6 Financial instruments by category

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

	Amortised cost	FVPL	Total
Consolidated			
31 December 2021			
Fair value through profit or loss financial assets	-	4,952,108	**4,952,108**
Trade and other receivables (excluding prepayments)	301,430	-	**301,430**
Cash and cash equivalents	2,804,532	-	**2,804,532**

	Financial liabilities at amortised cost
Financial liabilities	
Borrowings	263
Trade payables	1,706,186

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

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

	Amortised cost	FVPL	Total
University			
31 December 2021			
Fair value through profit or loss financial assets	-	3,862,192	**3,862,192**
Trade and other receivables (excluding prepayments)	256,332	-	**256,332**
Cash and cash equivalents	2,778,111	-	**2,778,111**

Figures in R `000

Financial risk management continued...

	Financial liabilities at amortised cost
Financial liabilities	
Borrowings	263
Trade payables	1,701,708

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

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

34.7 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).

Notes to the Consolidated and Separate Financial Statements

Figures in R `000

Financial risk management continued...

The following table presents the Consolidated assets and liabilities that are measured at fair value at 31 December 2021:

	Level 1	Level 2	Total
Consolidated			
Fair value through profit or loss financial assets			
- listed shares	3,653,944	-	3,653,944
- listed stocks and debentures	536,659	-	536,659
- government stocks and bonds	422,534	-	422,534
- fixed deposits	-	56,786	56,786
- other deposits and loans	-	254,966	254,966
- endowment policies	-	27,219	27,219
Borrowings	-	(263)	(263)
	4,613,137	**338,708**	**4,951,845**

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

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

The following table presents the assets and liabilities that are measured at fair value at 31 December 2021:

	Level 1	Level 2	Total
University			
Fair value through profit or loss financial assets			
- listed shares	2,772,375	-	2,772,375
- listed stocks and debentures	429,887	-	429,887
- government stocks and bonds	351,411	-	351,411
- fixed deposits	-	56,786	56,786
- other deposits and loans	-	224,514	224,514
- endowment policies	-	27,219	27,219
Borrowings	-	(263)	(263)
	3,553,673	**308,256**	**3,861,929**

Notes to the Consolidated and Separate Financial Statements

Figures in R `000

Financial risk management continued...

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

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

There were no transfers between Level 1 and Level 2 during the year ended 31 December 2021 and 2020.

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 valued by discounting future cashflows to a current present value using market related interest rates based on the entities credit risk.

Notes to the Consolidated and Separate Financial Statements

Figures in R `000	Consolidated 2021	Consolidated 2020 Restated	University 2021	University 2020 Restated

35. Cash flows from operating activities

Profit for the year	1,339,165	814,021	1,121,082	811,302
Adjustments for:				
– increase in student credit losses provision (note 10)	259,285	136,848	259,446	136,848
– (decrease) in non-student credit losses provision (note 10)	3,763	(1,483)	3,617	(1,483)
– student bad debt written off (note 10)	69,578	-	69,578	-
– non-student bad debt written off (note 10)	1,611	-	1,611	-
– depreciation (note 6)	86,116	82,636	94,471	91,322
– amortisation (note 7)	1,611	1,538	1,607	1,534
– profit on disposal of property, plant and equipment	(159)	(39)	(211)	(39)
– remeasurement of lease liability	-	-	-	-
– finance income (note 29)	(70,411)	(39,270)	(69,440)	(38,073)
– interest income on investments (note 31)	(238,518)	(204,609)	(221,779)	(187,345)
– finance cost (note 30)	115	23,826	115	24,943
– dividends received (note 31)	(75,883)	(40,456)	(52,072)	(27,178)
– movement in post-retirement obligations and assets (note 20)	(29,271)	(507,722)	(29,271)	(507,722)
– impairment (gains)/loss in subsidiaries and other entities	9,378	(8,139)	(13,072)	(3,127)
– foreign exchange (gains)/losses	(583)	(1,198)	(583)	(1,198)
– non-cash movement interest on defined benefit plan	39,573	-	39,573	-
– non-cash movement on investments in fair value	(861,078)	186,977	(626,088)	167,622
– non-cash movement on investment in subsidiaries	(772)	-	(24,722)	(40,658)
– non-cash movement on deferred income	(88,168)	-	(88,168)	-
– non-cash movement on provisions	101,548	-	90,730	-
– non-cash movement on new leases	-	-	-	-
– non-cash movement on borrowings	(533)	(1,487)	(533)	(1,487)
Changes in working capital:				
– receivables and prepayments (note 10)	(271,457)	(100,326)	(241,214)	(85,449)
– trade and other payables (note 15)	488,856	197,044	484,690	202,296
– inventory (note 9)	(9,854)	(2,742)	(9,841)	(2,685)
– provisions (note 14)	(125,073)	-	(125,071)	-
– deferred income (note 19)	-	50,421	-	50,421
– short term deposits (note 13)	820,000	(820,000)	820,000	(820,000)
– student deposits and income received in advance (note 17)	71,560	26,473	58,834	26,972
	1,520,399	**(207,687)**	**1,543,289**	**(203,184)**

Notes to the Consolidated and Separate Financial Statements

Figures in R `000	Consolidated 2021	Consolidated 2020 Restated	University 2021	University 2020 Restated

Cash flows from operating activities continued...

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

Profit on disposal (note 6)	211	39	211	39
Net book amount (note 6)	2,882	1,188	2,882	1,188
Proceeds from disposal	**3,093**	**1,227**	**3,093**	**1,227**

Refer to note 41 for correction of non cash items on the cashflow statement.

Net Debt Reconciliation

Cash and cash equivalents	2,804,532	1,144,530	2,778,111	1,125,866
Borrowings - repayable within one year	-	-	-	-
Borrowings - repayable after one year	(263)	(796)	(263)	(796)
	2,804,269	**1,143,734**	**2,777,848**	**1,125,070**

	Other Assets	Liabilities from financing activities		
	Cash	Borrowings due within 1 year	Borrowings due after 1 year	Total
Consolidated				
Net debt as at 1 January 2020	1,964,530	-	(796)	1,963,734
Cash flows	(820,000)	-	-	(820,000)
Net debt as at 31 December 2020	1,144,530	-	(796)	1,143,734
Cash flows	1,660,002	-	533	1,660,535
Net debt as at 31 December 2021	**2,804,532**	**-**	**(263)**	**2,804,269**
University				
Net debt as at 1 January 2020	1,945,866	-	(796)	1,945,070
Cash flows	(820,000)	-	-	(820,000)
Net debt as at 31 December 2020	1,125,866	-	(796)	1,125,070
Cash flows	1,652,245	-	533	1,652,778
Net debt as at 31 December 2021	**2,778,111**	**-**	**(263)**	**2,777,848**

36. Commitments

Commitments – approved, not contracted for	263,223	227,084	263,223	227,084
Commitments – contracted	132,332	91,375	132,332	91,375

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

Notes to the Consolidated and Separate Financial Statements

Figures in R `000	Consolidated 2021	Consolidated 2020 Restated	University 2021	University 2020 Restated

37. 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. It is not anticipated that any material liabilities will arise from the contingent liabilities other than those provided for in note 14.

A contingent liability exists with regards to The City of Johannesburg for incorrect allocation of charges, similarly there is a contingent asset for incorrect charges billed towards the University, although these have been settled in March 2022. The legal process has been initiated through the office of the General council to settle on these long outstanding disputes.

	Consolidated 2021	Consolidated 2020 Restated	University 2021	University 2020 Restated
Incorrect allocation of charges	9,607	8,324	9,607	8,324
Incorrect charges to be claimed back	(7,267)	(1,600)	(7,267)	(1,600)
Net contingent liability	**2,340**	**6,724**	**2,340**	**6,724**

38. 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 2021 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 2021 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 2021 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.

39. **Events after balance sheet**

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

Notes to the Consolidated and Separate Financial Statements

Figures in R `000

40. **Executive Remuneration 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	***
Designate Chief Operating Officer	P W Domingo	1,642,677	17,305	148,990	1,808,971	-	-	1,808,971	****
Senior Executive Director in the Vice-Chancellor's office	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	
Executive Dean Faculty of Law	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	

University of Johannesburg

Consolidated and Separate Financial Statements for the year ended 31 December 2021

Notes to the Consolidated and Separate Financial Statements

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Executive Remuneration 2021 continued...

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	********
		48,962,291	**782,402**	**5,851,510**	**55,596,202**	**2,056,021**	**13,231,852**	**70,884,075**	

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

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

Annual Remuneration	1,746,414
Accommodation Fringe Benefit	1,016,010
Non Pensionable Salary	1,405,355
Total Salary	**4,167,779**

** 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

Notes to the Consolidated and Separate Financial Statements

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Executive Remuneration 2021 continued...

Executive Remuneration 2020

Designation	Name	Salary	Allowances	Employer Contributions	Total	Leave Days sold	Merit and Other Payments	Total	
Vice-Chancellor & Principal	T Marwala	3,996,144	95,543	359,856	4,451,543	171,282	877,945	5,500,770	*
Registrar	I C Burger	2,442,448	20,765	348,124	2,811,337	108,197	178,961	3,098,495	
Deputy Vice-Chancellor Academic	A Parekh	2,930,980	48,069	420,166	3,399,215	130,808	408,944	3,938,967	
Deputy Vice-Chancellor Research & Internationalisation	S Sinha	2,675,007	31,149	303,843	3,009,999	-	191,222	3,201,221	
Chief Financial Officer	N Mamorare	2,735,776	31,140	243,074	3,009,990	-	331,766	3,341,756	
Chief Operating Officer	A Swart	2,760,760	31,149	399,740	3,191,649	122,824	348,635	3,663,109	
Chief People Officer (previously referred to as DVC Employees & Student Affairs)	K C Mketi	-	-	-	-	-	-	-	
General Council	P H O'Brien	2,256,151	31,149	321,571	2,608,870	284,491	145,398	3,038,760	
Senior Executive Director in the Vice-Chancellor's office	NY Vukuza	2,489,122	24,000	303,878	2,817,000	-	282,206	3,099,206	
Executive Dean College of Business & Economics	D Van Lill	2,198,613	31,465	250,947	2,481,025	76,394	134,189	2,691,609	
Executive Dean Faculty of Art, Design & Architecture	F Freschi	-	-	-	-	-	-	-	
Executive Dean Faculty of Education	S J Gravett	1,959,598	50,765	307,031	2,317,394	89,199	136,599	2,543,192	
Executive Dean Faculty of Engineering & the Built Environment	D Mashao	1,898,108	20,765	231,726	2,150,599	-	146,038	2,296,636	
Executive Dean Faculty of Health Sciences	S Khan	1,695,596	20,765	150,654	1,867,015	-	180,157	2,047,171	
Executive Dean Faculty of Humanities	A B Broadbent	621,214	6,922	55,195	683,331	-	-	683,331	**
Executive Dean Faculty of Humanities	K Naidoo	1,096,919	13,844	133,915	1,244,677	-	6,945	1,251,622	***
Executive Dean Faculty of Law	L G Mpedi	1,879,359	20,765	245,411	2,145,535	82,589	120,822	2,348,947	
Executive Dean Faculty of Science	D Meyer	2,004,888	20,765	244,762	2,270,415	-	229,963	2,500,378	
Chief Information Officer	KF Sibanda	1,696,565	20,765	150,740	1,868,070	-	215,777	2,083,847	
Executive Director Academic Development & Support	R P Ryan	1,995,386	20,765	285,381	2,301,533	194,896	460,926	2,957,355	****
Executive Director Expenditure	S M Makinta	1,690,210	74,765	212,938	1,977,913	-	190,978	2,168,892	
Executive Director Financial Governance & Revenue	L Riba	1,646,318	20,765	200,987	1,868,070	-	122,630	1,990,700	
Executive Director Human Resources	T L Kwinana	1,666,034	20,765	211,059	1,897,858	36,532	185,345	2,119,734	
Executive Director Library and Information Centre	KM Frahm-Arp	1,694,475	19,590	152,830	1,866,895	-	85,653	1,952,548	
Executive Director Operations	AL Nel	1,619,717	20,765	227,588	1,868,070	50,335	90,038	2,008,443	

Figures in R `000

Executive Remuneration 2021 continued...

Executive Director Research & Innovation	C B Nonkwelo	1,699,524	122,472	207,482	2,029,478	-	183,872	2,213,350
		49,348,910	**819,674**	**5,968,897**	**56,137,481**	**1,347,547**	**5,255,009**	**62,740,038**

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

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

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

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

** A B Broadbent - Term concluded 31 April 2020

*** K Naidoo - Appointed 01 May 2020

**** R P Ryan - Retired 31 December 2020

Figures in R `000

41. Prior period restatement

41.1 A Million Up Investments (MUI) Equity contribution prior period correction

MUI is a wholly owned subsidiary of the University. In 2018 (R44 773) and 2020 (R40 658), contributions were made by the University and classified as donation expense as opposed to capital contributions informed by the intent by Council of supporting the subsidiary without anything expected in return. Subsequently in 2020, the funding was reclassified as a capital contribution informed by compliance requirement under the Income Tax Act, however with the same underlying intent as above. The financial statements' classification hereof have thus been aligned to this requirement, by restating each of the affected financial statement line items for prior periods. Refer to the summary of restatements below for the impact on the consolidated financial statements

41.2 Defined Benefit Pension Fund prior period correction

During the 2021 period it was noted that the previous limitation of the plan net assets recognised in terms of Paragraph 64 of IAS19 was incorrectly applied on the basis that the Trustees would decide on the allocation of future surplus as and when it arises.

In terms of the rules of the fund as found in section 15C(1) of the Pension Funds Second Amendment Act, all surplus is required to be credited to the Employer Surplus Account and thus no limit, or asset ceiling, should have been applied in prior years as has been the case. As a result, the previous asset ceiling understated the net plan assets by R90 178. This error have been corrected by restating each of the affected financial statement line items for prior periods. Refer to the summary of restatements below for the impact on the consolidated financial statements.

Summary of restatements

	2020 Reported	MUI Equity contribution	Defined Benefit Pension Fund	2020 Restated
Consolidated				
Statement of Financial Position items:				
Non-current assets: Long term employee benefits	503,060	-	90,178	593,238
Reserve funds: Unrestricted use funds: Undesignated funds	(2,240,577)	-	(90,178)	(2,330,755)
Statement of Comprehensive income items:				
Finance income	39,270	-	22,873	62,143
Finance cost	(23,826)	-	23,302	(524)
Acturial gains on defined benefits	472,304	-	(469,053)	3,251

	2020 Reported	MUI Equity contribution	Defined Benefit Pension Fund	2020 Restated
University				
Statement of Financial Position items:				
Non-current assets: Investment in subsidiaries, associates and other investments	98,652	85,431	-	184,083
Non-current assets: Long term employee benefits	503,060	-	90,178	593,238
Reserve funds: Unrestricted use funds: Undesignated funds	(2,166,671)	(85,431)	(90,178)	(2,342,280)

Notes to the Consolidated and Separate Financial Statements

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Prior period restatement continued...

Statement of Comprehensive income items:				
Other expenses	1,108,505	(40,658)	-	1,067,847
Finance income	38,073	-	22,873	60,946
Finance cost	(24,943)	-	23,302	(1,641)
Acturial gains on defined benefits	472,304	-	(469,053)	3,251

	1 January 2020 Reported	**MUI Equity contribution**	**Defined Benefit Pension Fund**	**1 January 2020 Restated**
Consolidated				
Statement of Financial Position items:				
Non-current assets: Long term employee benefits	64,321	-	513,056	577,377
Reserve funds: Unrestricted use funds: Undesignated funds	(1,723,621)	-	(513,056)	(2,236,677)
University				
Statement of Financial Position items:				
Non-current assets: Investment in subsidiaries, associates and other investments	97,703	44,773	-	142,476
Non-Current assets: Long term employee benefits	64,321	-	513,056	577,377
Reserve funds: Unrestricted use funds: Undesignated funds	(1,650,334)	(44,773)	(513,056)	(2,208,163)

Notes to the Consolidated and Separate Financial Statements

Figures in R `000

Prior period restatement continued...

41.3 **Cash flow statement prior period correction**

During the 2021 period it was noted that the 2020 cash flow statement erroneously contained non-cash items. The non-cash items corrected primarily pertain to financial assets purchases and proceeds, as previously recognised within investing activities. These movements do not amount to cash in/outflows within the University's transactions however are transactions effected by the fund managers in line with the University's investment mandate, hence classification as non-cash items. These have subsequently been corrected, with no impact on the cash and cash equivalents balances. Refer to the summary of restatements below for the impact on the consolidated financial statements.

	2020 Reported	Adjustment	2020 Restated
Consolidated			
Statement of Cash flow:			
Cash generated from operating activities	(580,322)	372,635	(207,687)
Purchase of financial assets	(3,904,857)	3,904,857	-
Proceeds from disposal of financial assets	4,277,492	(4,277,492)	-
University			
Statement of Cash flow:			
Cash generated from operating activities	(510,044)	306,860	(203,184)
Purchase of financial assets	(1,241,110)	1,241,110	-
Proceeds from disposal of financial assets	1,547,970	(1,547,970)	-

University of Johannesburg

Consolidated and Separate Financial Statements for the year ended 31 December 2021

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 2021	Total 2020 Restated
Consolidated							
Total income		**5,704,163**	**677,182**	**6,381,345**	**203,294**	**6,584,639**	**5,598,263**
Recurring items		**5,704,004**	**677,130**	**6,381,134**	**203,294**	**6,584,428**	**5,598,224**
State appropriations – subsidies and grants	21	2,700,186	-	2,700,186	-	2,700,186	2,572,792
Tuition and other fee income	22	1,964,042	12,185	1,976,227	196,448	2,172,675	1,974,901
Income from contracts		86,589	241,103	327,692	-	327,692	250,884
For research	23	81,757	239,311	321,068	-	321,068	245,571
For other activities	24	4,832	1,792	6,624	-	6,624	5,313
Sales of goods and services	24	84,902	121,407	206,309	4,326	210,635	149,367
Private gifts and grants	24	111,534	30,256	141,790	-	141,790	157,416
Sub-total		**4,947,253**	**404,951**	**5,352,204**	**200,774**	**5,552,978**	**5,105,359**
Income from investments	31	203,129	110,738	313,867	534	314,401	245,065
FV movements	32	486,168	160,470	646,638	-	646,638	185,658
Finance income	29	67,454	971	68,425	1,986	70,411	62,143
Non-recurring items							
Profit/(loss) on disposal of PPE	24	159	52	211	-	211	39

University of Johannesburg

Consolidated and Separate Financial Statements for the year ended 31 December 2021

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 2021	Total 2020 Restated
Total expenditure		**4,776,739**	**320,969**	**5,097,708**	**147,766**	**5,245,474**	**4,784,243**
Recurring items		**4,759,397**	**319,117**	**5,078,514**	**145,577**	**5,224,091**	**4,756,661**
Personnel	25	3,046,100	142,429	3,188,529	27,162	3,215,691	2,901,270
Academic professional		1,630,273	76,228	1,706,501	14,537	1,721,038	1,552,759
Other personnel		1,415,827	66,201	1,482,028	12,625	1,494,653	1,348,511
Other current operating expenses	27	1,296,176	40,598	1,336,774	114,100	1,450,874	1,267,321
Depreciation	6	69,798	12,102	81,900	4,216	86,116	82,637
Amortisation of software	7	1,502	13	1,515	96	1,611	1,538
Bursaries awarded	26	335,836	123,975	459,811	3	459,814	495,231
Sub-total		**4,749,412**	**319,117**	**5,068,529**	**145,577**	**5,214,106**	**4,747,998**
Finance costs	30	607	-	607	-	607	524
Impairment (gains)/losses	28	9,378	-	9,378	-	9,378	8,139
Non-recurring items							
Capital expenditure expensed	27	17,342	1,852	19,194	2,189	21,383	27,583
Profit/(Loss) for the year		**927,424**	**356,213**	**1,283,637**	**55,528**	**1,339,165**	**814,021**
Other comprehensive income							
Actuarial gains and losses on defined benefit plans	20	141,041	-	141,041	-	141,041	3,251
Total comprehensive income for the year		**1,068,465**	**356,213**	**1,424,678**	**55,528**	**1,480,206**	**817,272**

University of Johannesburg

Consolidated and Separate Financial Statements for the year ended 31 December 2021

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 2021	Total 2020 Restated
University							
Total income		**5,762,552**	**368,639**	**6,131,191**	**203,294**	**6,334,485**	**5,539,023**
Recurring items		**5,762,393**	**368,587**	**6,130,980**	**203,294**	**6,334,274**	**5,538,985**
State appropriations – subsidies and grants	21	2,700,186	-	2,700,186	-	2,700,186	2,572,792
Tuition and other fee income	22	1,964,042	134	1,964,176	196,448	2,160,624	1,965,824
Income from contracts		86,842	241,103	327,945	-	327,945	250,885
For research	23	82,010	239,311	321,321	-	321,321	245,571
For other activities	24	4,832	1,792	6,624	-	6,624	5,314
Sales of goods and services	24	112,139	26,019	138,158	4,326	142,484	129,363
Private gifts and grants	24	136,534	30,256	166,790	-	166,790	205,415
Sub-total		**4,999,743**	**297,512**	**5,297,255**	**200,774**	**5,498,029**	**5,124,278**
Income from investments	31	203,131	70,186	273,317	534	273,851	214,523
FV movements	32	492,066	888	492,954	-	492,954	139,238
Finance income	29	67,453	1	67,454	1,986	69,440	60,946
Non-recurring items							
Profit/(loss) on disposal of PPE	24	159	52	211	-	211	39

University of Johannesburg

Consolidated and Separate Financial Statements for the year ended 31 December 2021

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 2021	Total 2020 Restated
Total expenditure		**4,880,092**	**206,827**	**5,086,919**	**126,484**	**5,213,403**	**4,727,720**
Recurring items		**4,862,741**	**205,249**	**5,067,990**	**124,295**	**5,192,285**	**4,700,348**
Personnel	25	3,046,100	89,234	3,135,334	27,162	3,162,496	2,869,777
Academic professional		1,630,273	47,758	1,678,031	14,537	1,692,568	1,535,905
Other personnel		1,415,827	41,476	1,457,303	12,625	1,469,928	1,333,872
Other current operating expenses	27	1,408,420	(17,137)	1,391,283	93,854	1,485,137	1,237,717
Depreciation	6	82,103	9,167	91,270	3,201	94,471	91,321
Amortisation of software	7	1,522	10	1,532	75	1,607	1,534
Bursaries awarded	26	335,836	123,975	459,811	3	459,814	495,231
Sub-total		**4,873,981**	**205,249**	**5,079,230**	**124,295**	**5,203,525**	**4,695,580**
Finance costs	30	1,832	-	1,832	-	1,832	1,641
Impairment (gains)/losses	28	(13,072)	-	(13,072)	-	(13,072)	3,127
Non-recurring items							
Capital expenditure expensed	27	17,351	1,578	18,929	2,189	21,118	27,372
Profit/(Loss) for the year		**882,460**	**161,812**	**1,044,272**	**76,810**	**1,121,082**	**811,302**
Other comprehensive income							
Actuarial gains and losses on defined benefit plans	20	141,041	-	141,041	-	141,041	3,251
Total comprehensive income for the year		**1,023,501**	**161,812**	**1,185,313**	**76,810**	**1,262,123**	**814,553**

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