DUT
DURBAN UNIVERSITY OF TECHNOLOGY

2014
ANNUAL REPORT

ON THE COVER

The Durban University of Technology, which has student centeredness at the heart of its DNA, is a university of technology.

With an increasing number of lectures at the University using e-learning to support their teaching practice, DUT is making excellent progress toward its aim of becoming a digital university. The 2014 DUT Annual Report creative concept, which shows a burst of information coming from the students' computer, is a representation of this outlook and shows that students enrolled at the University not only receive quality education, but are also empowered through exposure to technology, thus ensuring that they become some of the best graduates in the world.

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ANNUAL REPORT NOTES

In 2014, the Department of Higher Education and Training introduced new reporting regulations. One of the requirements was for universities to provide the Department with an Annual Performance Plan (APP) with requisite reporting on implementation and success factors of the APP in the annual report the following year (n-1). Given that the first APP at the Durban University of Technology was for 2015, this 2014 Annual Report excludes the APP review. Future annual reports of the University will contain such a review.

The Report on Transformation and Council's Statement on Sustainability are contained within the Report of the Vice-Chancellor on Management/Administration.

Council annual attendance, list of Council members and Committees of Council are listed on pages 116-123.

REPORT OF THE CHAIR OF COUNCIL

The qualifications of staff are improving with many acquiring Master's and doctoral qualifications. Research output shows a steady increase in publications and the mapping of research focus areas should be an incentive for further research productivity.

The Durban University of Technology continues to make steady progress in delineating itself as a university of technology. To this extent, it has successfully graduated over 5500 students in 2014. These graduates have not only received sound grounding in theory in their respective disciplines, but have had this complemented by work integrated training. They are thus well placed to enter the world of work in entrepreneurship, public service, education and in civil society.

The qualifications of staff are improving with many acquiring Master's and doctoral qualifications. Research output shows a steady increase in publications and the mapping of research focus areas should be an incentive for further research productivity. The new Engineering Building is nearing completion and the

Student Village residence on the Steve Biko Campus should be ready for occupation during the course of 2015. Ambitious plans are in place for the expansion of the Indumiso Campus in Pietermaritzburg. The Council, with some new members, functions optimally in carrying out its fiduciary responsibility and in supporting the Vice-Chancellor and his team in transforming the Durban University of Technology into an institution of excellence for the KwaZulu-Natal region and beyond.

Council Workshop

The Council Workshop held on 5 September 2014 was attended by Council members, executive management and executive deans. Among issues discussed were the Strategic Plan, financial sustainability and new developments at the University.

Prior to the commencement of the workshop, Council members undertook a tour led by Campus Planner, Len Rosenberg. The recently refurbished Health Sciences Clinic, as well as the Student Village and Engineering Building construction sites were visited.

Council approved the Strategic Plan of the University for 2015-2019 and complimented the Vice Chancellor and his team for an inspiring and well written document. Council will be updated annually on the implementation of the plan. Council approved the Annual Performance Plan for 2015, which is a new requirement by the Department of Higher Education and Training in terms of Section 41 of the Higher Education Act of 1997.

Council also approved the SCR Constitution with a few amendments.

Council Awards Function

A total of 38 awards were made in honour of outstanding achievement by DUT staff on Friday, 7 March 2014, in the beautifully refurbished Arthur Smith Hall of the City Campus. This will now become an annual event on the calendar of Council activities. The awards also provided an opportunity for members of Council to visit parts of the Campus. On this occasion, the departments of Video Technology and Jewellery Design were visited. Council was duly impressed by the outstanding work being undertaken in these departments.

Academic Presentations To Council

As in the past, the practice of lectures to Council at the dinner on the Friday evening prior to the Council meeting on Saturday continued in 2014. The lecture at the June Council meeting was given by Professor Diane Grayson from the Council on Higher Education on the Quality Enhancement Project.

Msulwa Daca, Executive Officer of the National Financial Aid

Scheme (NSFAS), addressed Council and senior staff members on changes at NSFAS and in the financial aid scheme. DUT is one of the pilot institutions in which the programme was rolled out in 2014. Despite initial teething problems, it appears that the new approach would streamline the granting of loans and bursaries to students.

Presentations By DUT Constituencies

In order for Council to be apprised of the ongoing work on campus, different departments made presentations at each of the Council meetings.

In 2014, the following presentations were made:

- Soren Alto, Director: Information Technology Support Services: Operational and Strategic overviews of the Information Technology and Support Services Department.
- Professor Theo Andrew, Executive Dean: Faculty of Engineering and the Built Environment - The Faculty of Engineering and the Built Environment: Strategic Initiatives - past, present and future.
- Professor Sibisiso Moyo, Director: Research and Postgraduate Support - Research at DUT. It was noted that the research publications have grown from 49 to 100 units in 2013. A number of strategic research focus areas have been defined.
- Professor Suren Singh, Executive Dean: Faculty of Applied Sciences focused on headcount enrolments of undergraduate and postgraduate students, success and graduation rates, staff qualification profile, research outputs, financial model and the success and challenges facing the Faculty.

Academic Programmes

Council noted with satisfaction the progress being made with the Curriculum Renewal Project. A number of General Education Modules are being developed. When complete, these modules would constitute 30% of the curriculum.

The e-Learning Project will complement face-to-face instruction and broaden the scope of teaching and learning at DUT. By the end of 2015, 50% of the DUT courses should have an e-learning component. The DUT Library now has electronic access to many of its books and journals.

New Council Members

Council had the pleasure of welcoming the following new internal members: Dr R Smith (Senate), N Patchiappen (professional and administrative staff), R Haripersad (support and service staff); Council appointees: Dr J Reddy, Dr J Volmink, S Sibiya, G G Twala; New Ministerial Council Appointees: K Baloyi, D Hlatshwayo, T B Hlongwa, S Johaar. The ML Sultan Charitable and Educational Trust appointed Mr L K T Mehta to the Council.

Dr J Reddy was appointed for a further term as Chair of Council from September 2014 to August 2016.

Council bid farewell with appreciation to the following outgoing Council members: G Lincoln (Senate), N G Munsamy (service and support staff); Council appointees: O Mooki and Z K Seedat; Ministerial appointees: M Buchler, B Barry, N Luthuli.

Council Communique

A survey revealed that staff and students are appreciative of the communiqué issued after each Council meeting. This practice will continue.

New Developments, Buildings and Infrastructure

Council approved the new executive structure which would comprise the Vice-Chancellor, three Deputy Vice-Chancellors: Academic, Operations and Engagement respectively. The structure will come into effect in 2015.

The Indumiso Education Precinct, aimed at integrating schools, TVET Colleges and DUT is being planned with the support of the Department of Higher Education and Training.

The new Student Village residence with 880 beds, which will contribute greatly to the accommodation needs of students, is under construction on the Steve Biko Campus.

The Enhancing Care Foundation, a not-for-profit, public benefit organisation which aims to promote better quality healthcare in South Africa, has been approved as an institute of DUT.

Council approved the Centre for Continuing and Professional Education (CCPE) as a vehicle for managing the continuing and professional education courses. It is expected to generate much needed third-stream income.

A Retail School of Excellence has been established by a partnership between the Durban University of Technology and Wholesale and Retail SETA.

A Renewable Energy Installation at Saphumula Secondary School, which powers lights and computers in the school's classrooms, was made possible by a grant from the Iqraa Trust and Al Baraka Bank. This was installed by DUT's Department of Physics.

A Leadership Development Programme was rolled out for staff on peromnes grades 5-6 and which included the academic heads of departments. A total of 90 staff members participated in the programme.

The Corporate Affairs Division excelled at the annual Marketing,

Advancement and Communication in Education (MACE) Conference by winning five awards.

The Faculty of Engineering and the Built Environment was subjected to an Engineering Council of South Africa accreditation in September 2014. All programmes were fully accredited with the exception of one which received conditional accreditation.

Graduation

A total of 5500 students graduated at 14 graduation ceremonies held in Durban and Pietermaritzburg. In addition, 18 Doctoral degrees were conferred.

Honorary degrees were conferred on distinguished playwright Ronnie Govender, literary figure and activist Lauretta Ngcobo and environmental activist Booby Peek.

Council approved an Honorary Doctorate award to Richard John Pelwana Maponya in recognition of his support for novel and innovative entrepreneurship and his outstanding contribution towards the development and fostering of unity of emerging businesses across South Africa's racial divides. Council also approved an Honorary Doctorate award to Bhekizizwe Joseph Siphatimandla Mxoveni Mshengu Bigboy Shabalala in recognition of his contribution to traditional IsiZulu choral music within South Africa and internationally.

University Council Of Chairs Forum – South Africa (UCCF-SA)

Following a meeting of the Chairs of Councils of South African Universities with the Minister of Higher Education and Training in February 2010, the setting up of a University Councils Chairs Forum was endorsed. Some of the objectives of UCCF-SA are to build capacity of members of council so that they can discharge their fiduciary and other responsibilities in an effective manner as well as to reflect on their role, in particular as to how councils address emerging challenges such as "transformation" arising from a changing higher education landscape, institutional autonomy and academic freedom which are enshrined in the constitution and Higher Education Act.

In 2014, UCCF-SA met with Minister Blade Nzimande at which he shared his vision for the higher education sector for the next five years. In turn, chairs of council brought a number of pressing issues that concern higher education to the attention of the Minister, including disturbances on campuses, recent amendments to the Higher Education Act, the new onerous reporting procedures, funding of universities and remuneration of university personnel and capacity building for councils.

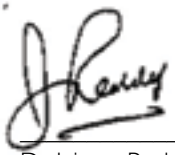
Six capacity building regional workshops were held during 2014 to accommodate councils of all universities. Members of councils of universities in the region, which included vice-chancellors and deputy vice-chancellors and chairs of councils, attended. The presentations were of a high standard and the discussion wide ranging and stimulating. It was a most useful learning experience for all those who attended and especially for new members of councils. On average, about 50% council members attended the regional workshops. An evaluation form was completed at the end of each workshop and an analysis of this will inform future workshops.

UCCF-SA will be meeting the Minister of Higher Education and Training at least twice a year. Its members meet at least once a year and the Executive Committee of UCCF-SA meets more frequently. DUT is a member and through its Chairperson, plays an active role in the UCCF-SA.

The output of graduates, increase in postgraduate students and research outputs, new and innovative academic developments, new buildings and improvements in infrastructure as well as leadership displayed by Council, the Vice-Chancellor and his executive are indicative of an institution that is stable, efficient and performing optimally in order to meet its obligation of providing the country with much needed skilled, knowledgeable and critical citizens to contribute to the development of the country.

Challenges remain however, including the high drop-out rate in common with other universities especially during first year of study. Financial sustainability in the long run requires attention and there is a need for continued improvement in staff qualifications, postgraduate students and research output.

Council would like to express its gratitude to the Vice-Chancellor, Executive Management, staff and students for their respective contributions in enhancing the role of the Durban University of Technology as a leading university of technology in the country.



Dr Jairam Reddy
Chair of Council

VICE-CHANCELLOR'S REPORT ON MANAGEMENT AND ADMINISTRATION

Through the large strategic projects that will be described to some extent in this annual report, DUT is gradually learning what it takes to transform itself from a technikon into a university of technology. This is a fascinating journey, which is still unfolding with considerable learnings and lessons.

The unfolding of the newly defined post-school education and training system holds a large set of opportunities for DUT and these will be explored with more vigour in the next three years, although some progress has already been made.

For 2014 reporting purposes, targets were set relating to contractual agreements with the Minister of Higher Education and Training relating to enrolment and research outputs. These are shown below. Other performance indicators are listed and the achievement against those highlighted, despite there being no set target for 2014.

Plans, goals and objectives for 2014, and self-assessment

The Council of the Durban University of Technology holds an annual workshop at which the Vice-Chancellor and Principal provides Council with a clear programme of activity for the following year. This includes targets of various kinds. In accordance with the new reporting regulations promulgated by the Department of Higher Education and Training (DHET) -more particularly in anticipation of monitoring and evaluating the implementation of the University's new Strategic Plan - approved targets for 2015, which align with the Strategic Focus Areas outlined in the Plan were approved in September 2014.

The Council workshops are extremely important in the process of developing the strategic outlook of the University together with the production of plans and targets. At this point, it is important to state that one of the most important strengths of the last five years at DUT is the stability and commitment of the Council and other DUT governance structures, Senate and Institutional Forum.

Through the large strategic projects that will be described to some extent in this annual report, DUT is gradually learning what it takes to transform itself from a technikon into a university of technology. This is a fascinating journey, which is still unfolding with considerable learnings and lessons.

In the table below, these targets are arranged broadly against the four Strategic Focus Areas:

- Building sustainable student communities of living and learning.
- Building research and innovation for development.
- Building a learning organisation.
- Building a sustainable University.

The Strategic Focus Areas are meant to be prosecuted through the deployment of six Strategic Drivers:

- Transforming Institutional Culture
- The Knowledge Project
- Back to Basics
- Networking the University
- Greening the University
- Internationalising the University

2014 Indicators and Targets

Target met
Target exceeded
Target shortfall
No target for 2014

Strategic Focus Area	Indicators	2014 Actual	2014 Targets
Communities of living and learning	Headcount enrolment	26 404	26 176
	First time entering enrolment [1]	6 870	7 177
	FTE enrolment [2]	19 290	19 501
	Students with disabilities	173 (0.6%)	
	% Graduation rates	25%	22.5%
	% Success rates	81.0%	78.0%
	% Headcount enrolled in SET	49%	48%
	% DUT qualifications with an online component on Blackboard	57%	
	% international students of student body	3%	
	% Growth rate of international students	6%	
	% of Students in Student Residence	30%	
	First year students as % of total residence population	24%	
	Number of students in residences	7 903	
	NSFAS funded students in residences	5 926	
Research and Innovation for Development	Postgraduate enrolment	752	673
	% Growth rate of postgraduate students	14%	-4%
	Postgraduate qualifications awarded	122	129
	% Instructional and research staff with doctoral qualifications [3]	18%	16%
	Number of instructional and research staff with doctoral qualifications	104	97
	Number of research outputs [4,5]	252.15	325
	Research output per instructional and research staff [5]	0.44	0.51
	Publication output [4]	128.15	50
	% Growth in publications output	59%	11%
	External funding for research and innovation	R18 671 000	
	Number of postdoctoral fellows [6]	25	35
	Number of research associates	13	5
	Number of research fellows	3	3
A learning organisation	Expenditure on continuous professional development and skills training	R12 748 072	
	Number of staff in a learning programme funded by DUT	714	
	Leadership and management training for grades 5-6 [7]	88	90
A sustainable university	Ratio of instructional and research to support staff	1:1.4	1:1.4
	3rd stream income	R14 076 000	
	Staff compensation: recurrent income	69%	
	Ratio of direct costs : indirect costs	54% : 46%	
	NSFAS funded students	8 314 (31.5%)	
	Students on scholarships/bursaries	1 826 (6.9%)	

1 Insufficient Financial Aid for first time entering students has hampered this growth. Several programmes on our enrolment plan were not approved on time so intake was not possible.
2 Correlated with lower than expected first time entering enrolment. First time entering students carry a full load.
3 Full-time instructional and research staff excludes part-time academic and administration staff with doctorates who do teaching and supervision.
4 2013 data; 2014 not yet available.
5 Even though below the target, there has been considerable growth with outputs having more than trebled over a five year period.
6 The DUT Postdoctoral programme consists of Postdoctoral Fellows (PDFs), Research Associates (RAs) and Research Fellows (RFs). The programme attracted a total of 41 researchers and is well within the total target of 41 researchers in this category per annum.
7 Not all of the targeted group were able to participate at the time.

In 2013, I reported that DUT had embarked on three strategic enterprises, namely, the development of a new Enrolment Plan, a Financial Sustainability Plan and a revised Strategic Plan. In what follows, I report progress made in these key areas.

Much has changed at the University for the Strategic Goals and Objectives for 2009 to 2018 to continue to be fully relevant to the new directions that have been adopted at DUT, and so a new Strategic Plan was developed in consultation with the constituencies of the institution. The new Plan titled: DUT Strategic Plan 2015 – 2019: Towards Relevance, Responsiveness and Resilience was approved by the Council of the University at its meeting in September 2014.

A basic sustainability plan was presented to the Council in September 2013 and at the September 2014 workshop. A fully constructed Sustainability Model 2015-2019 was approved by Council.

There are four elements to the model:

- Careful enrolment planning and a sustained growth model with an annual growth of 3.2% per annum until 2019. This plan has been approved by DHET.

- A growth in research outputs in terms both of publication units and postgraduate units. This element of the plan has also seen rapid growth at DUT with publication units growing from about 40 units in 2010 to about 132 units in 2013. There is good reason to expect this to grow further. Perhaps the major determinant here is the fact that while in 2010 just 10% of the academic staff had doctoral qualifications, in 2014, that figure has grown to 17% and it is hoped that by the end of 2015, it will be 20%.

- A growth in Third Stream Income mainly through the creation of the Centre for Continuing and Professional Education (CCPE), which was approved by Council in September 2014. The CCPE will function as a vehicle for managing the implementation of all DUT continuing and professional education courses and will manage and promote third stream income-generation. Other avenues to generate additional streams of income are being developed. The budget for 2015 has an amount of R15 million for income through third stream activities.

- A much greater effort to control wastage.

Three ratios are being used to help the University determine how it is performing. The primary amongst them is the ratio between the total spend on staff compensation and the total recurrent income. National and international benchmarks indicate that this ratio should be somewhere between 58% and 62%. DUT is currently operating with a ratio of about 69%. There is a deliberate, direct set of processes in place to address the reduction in this ratio as with the other two ratios, namely direct costs to indirect costs, and third is the staff compensation budget in academic sector to administration/support staff compensation.

I am happy to report that the University met its overall enrolment targets in 2014. The planned growth of an additional 6 000 students by 2019 is largely dependent on the planned infrastructure projects, the introduction of new programmes and an integrated planning process to ensure these targets are met. Although some of the key data are presented in table 1, the Senate Report to Council elaborates on the breakdown of enrolment in detail. That report will also show that throughputs and success rates are higher than the DHET targets; however, despite this there is concern at the student dropout rate which is a concern nationally.

Management and administration

DUT was one of the pilot sites for the new NSFAS system. While there were numerous interactions and meetings between DUT and NSFAS staff with student leaders to prepare for the switch over, the go-live turned out to be much more complex than anticipated. In its existing system, DUT, like other institutions, had worked out ways to optimise the deployment of financial aid received from NSFAS. The new system introduced processes that curtailed a level of institutional creativity in terms of the context in which it finds itself. This presented numerous challenges and considerable collaboration to improve the system. It is our view, that it was applied prematurely and subsequently prejudiced the students. We look forward to a far more successful operation in 2015. A total of 1826 students were recipients of scholarships and bursaries, with 8 314 receiving some measure of NSFAS funding.

An outcome of the DHET Infrastructure Grants Project was the expectation of an Institutional Master Plan. This was completed in 2014 and presented to the Council and other constituencies. This

Plan will inform future infrastructure development. Infrastructure projects underway during 2014 at the Durban Centre include the Drama Studies building roof replacement (completed), Health Sciences Faculty's refurbished clinics (completed), new 800 bed student residence village and the new Faculty of Engineering and Built Environment premises (both underway). At the Midlands Centre, the Indumiso Hall roof project was completed and the design phase of the Indumiso and Riverside expansion projects were completed. Also in Durban, the Medical Orthotics and Prosthetics training facility, situated at the Wentworth Hospital, was opened.

With infrastructure comes maintenance requirements. The DHET Infrastructure Grants Project also required the production of an Institutional Maintenance Plan. This was also concluded in 2014 and gives the University an excellent 20-year view of the maintenance needs to keep the infrastructure in good order. The Plan indicates that the maintenance spend required over the 20 year period exceeds R2 billion.

Staffing

The University is fortunate to have many committed staff members who see their role in the development of our students as paramount. Council approved a new Executive Management Structure comprising three Deputy Vice-Chancellors namely, Deputy Vice-Chancellor: Academic which shall be a Provost-type position, Deputy Vice-Chancellor: Operations and Deputy Vice-Chancellor: Engagement. The latter two positions are currently vacant.

Perhaps the most important developments in the administrative systems at DUT in 2014 are:

- Creation of the position of Chief Risk Officer (CRO);
- Creation of a part-time Senior Director for Engagement;
- Creation of the Department of Policy, Planning and Projects in which the Institutional Planning Office is positioned;
- The DUT Development Office; and
- As part of a new planning and reporting framework, the University Planning and Resources Committee was established, the scope of which is to ensure integrated planning, resourcing and monitoring.

These fit with the new Strategic Plan and are all central to the core functions of the University. The CRO and Engagement positions have been filled via internal secondments. Internal staff transfers have filled the Planning positions.

Professor Thenjiwe Meyiwa joined DUT as the new Registrar. She joined the institution from the HSRC.

Skills development is a critical enabler of transformation. DUT is in the process of reviewing its skills development strategy to focus on formal structured learning (there are two programmes currently underway) that are expected to culminate on employment and career progression. One such intervention is a Leadership and Management Development Programme which was rolled out to approximately 90 academic and administrative staff at Peromnes levels 5 and 6.

Transformation

DUT's transformation agenda has a three-layered governance and operational structure. The Council of the University has a standing Transformation Oversight Committee that receives reports from the University on a regular basis. The Institutional Forum has a standing Transformation Committee that plays the role of monitoring, guiding and galavanising the University community in its transformation processes. The third layer is represented by the nexus of devolved activities across the institution.

The IF has approved a transformation agenda that comprises five broad areas:

a) The Transformation of Institutional Culture Project focuses on building a new, inclusive culture that builds on the rich diversity in the DUT family and in the local community.
b) The Equity Project focuses on the student and staff demographics with particular attention being paid to the issue of correcting the historic imbalances in terms of race and gender.
c) The Student-Centredness Project that is aimed at building an institution that focuses on the social, emotional and intellectual development of DUT's students.
d) The Curriculum Renewal Project focuses on a radical overhaul of the nature of learning programmes at DUT. There are many aspects to this.
e) The Research Capacity Building Project that focuses on building a research culture, broadening the research base and building research centres that are relevant and responsive to the challenges of development

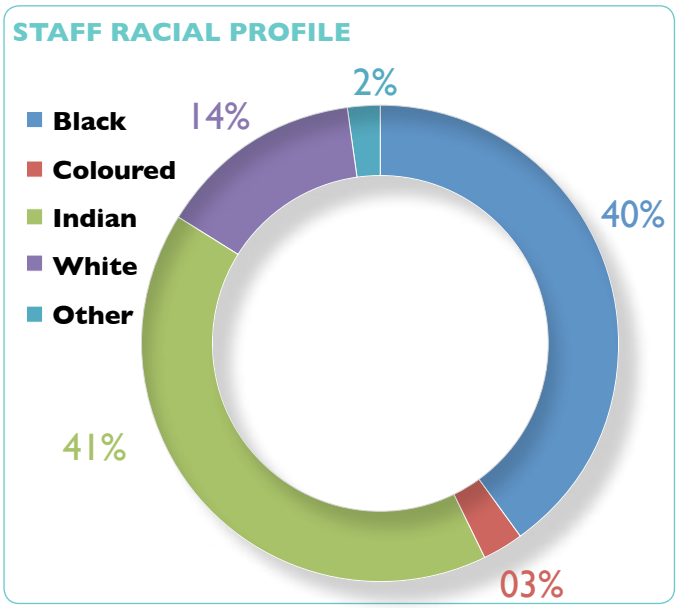
An Employment Equity Committee, which has been in place for some time, is now enhanced by the establishment of an Employment Equity Forum. This consists of members representing the voices of employees, representatives of DUT as employer as well as a number of members (including subject matter experts) who can share information with the EE Forum as and when required. The challenge is to integrate what the EE Forum is doing in the operations of the University and enhance co-ordination with other bodies at the University.

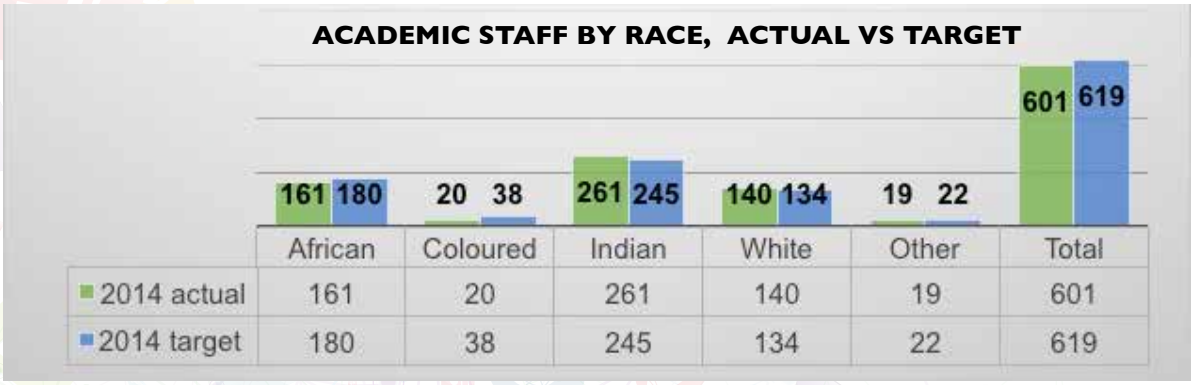
The University's employment equity statistics indicate progress, albeit slow, towards achieving equitable representation of designated groups across all occupational levels and categories of the University workforce. The University endeavours to attract

and retain an engaged and diverse workforce aligned to both the provincial and national demographic of economically active population (EAP) on the one hand and the profile of the higher education economically active population on the other.

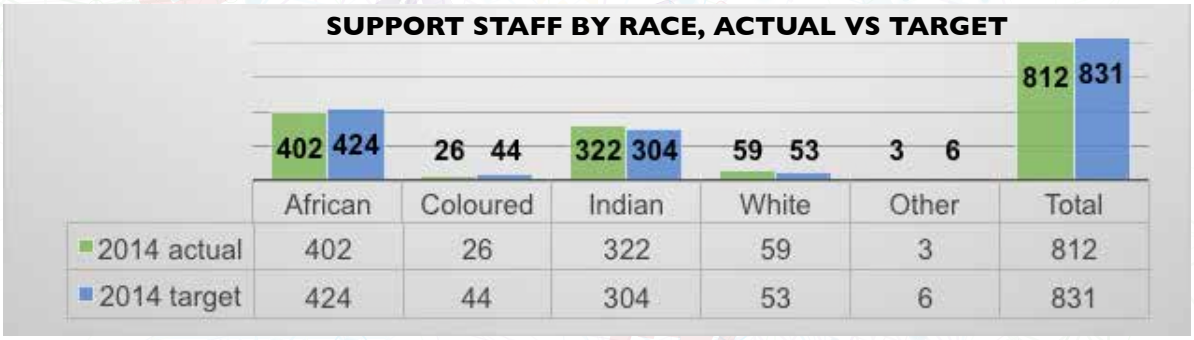
Staff profile

The 2014 staff profile, showing the targets for race and gender, is depicted as follows.





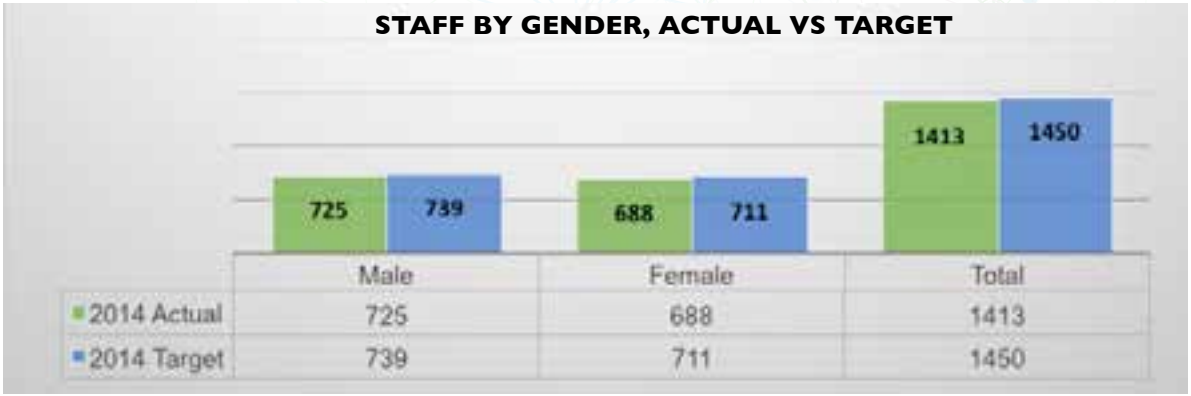
	African	Coloured	Indian	White	Other	Total
2014 actual	161	20	261	140	19	601
2014 target	180	38	245	134	22	619



	African	Coloured	Indian	White	Other	Total
2014 actual	402	26	322	59	3	812
2014 target	424	44	304	53	6	831

Staff gender profile

There is a close balance of female to male staff (49% to 51%).



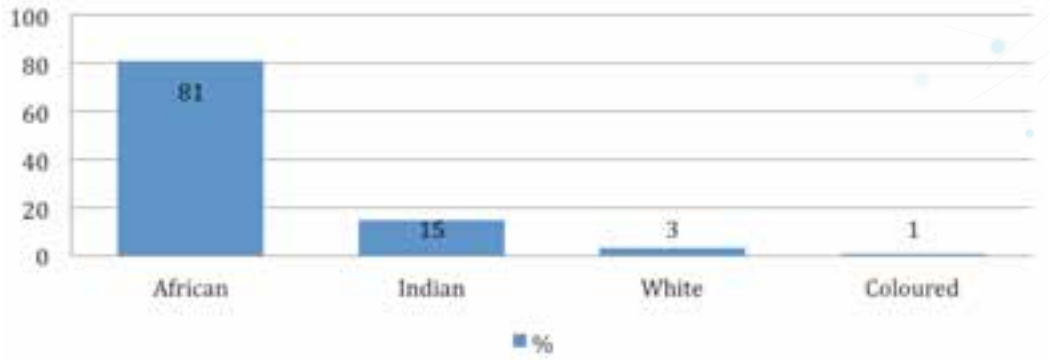
	Male	Female	Total
2014 Actual	725	688	1413
2014 Target	739	711	1450

Student profile

As described in the Senate Report to Council, the size and shape of the student body is as follows:

Headcount Enrolment by Race

STUDENTS BY RACE AS A PERCENTAGE

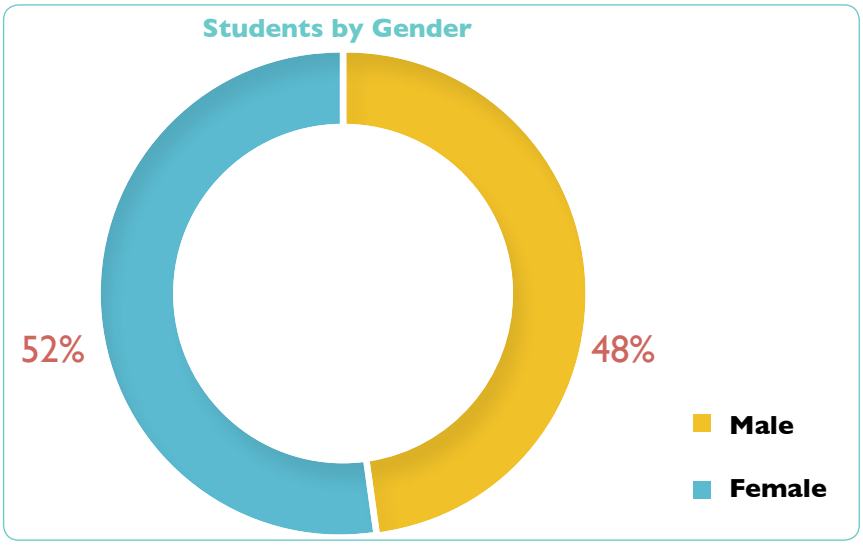


Headcount enrolment at DUT in 2014 was 26 404, which was a 1.3% increase from the 2013 enrolment. African students comprised 81% of the student body, followed by Indian students at 15%. The remaining 3% and 1% of the student composition by race in 2014 were White and Coloured students respectively. Only 3% (n = 752) of the 26 404 students registered at DUT were pursuing postgraduate studies.

Enrolment in PG studies by race was 49.7% African, 29.8% Indian, 16% Whites and 2.7% Coloured. The remaining 1.8% was taken up by the "other" category.

With respect to participation by gender, the split was 52% and 48% male and female representation respectively. This constitutes a slight decline of 1% headcount enrolment for female students compared to 2013. This is of concern and will be addressed in the construction of the enrolment planning for 2016. The fact that female: male ratio amongst students is smaller than at other traditional universities is mainly due to the female: male enrolment ratio of 25:75 of enrolment in the Faculty of Engineering and the Built Environment. This is a Faculty of more than 7 000 students.

Gender



Management information, processes and data quality

The Management Information (MI) Department at DUT provides the data for all the statutory reporting and more generally any management information. The MI Department extracts data from the ITS Oracle database which is the primary administrative information system for the University's financial, human resource and student information.

The MI reporting portfolio includes tracking enrollment management and various performance indicators at the faculty and departmental levels where DUT is compared against national benchmarks for:

- student and staff demographics;
- success, graduation, throughput and dropout rates;
- student/staff ratios; and
- academic staff qualifications.

Additionally, the MI Department generates financial models and dashboards, performs cohort studies and supplies reports and information for programme reviews and evaluations.

A key focus area is on the development of early warning systems for identifying and tracking students at risk.

The MI Department performs various validations on the data in the ITS system in order to maintain good data quality. As an example of the data quality, the last submission of registration data found only 130 errors in the more than 26 000 registered students which were reported back to the responsible departments for correction. The various data validation mechanisms include:

- ITS validation programs;
- Valpac validations for HEMIS data;
- audits on student data performed by the Registrar's office;
- internal MIS data validation reports; and
- departmental feedback on supplied reports.

Two intrinsic factors contribute to the quality of student data. First, student application and biographical data is captured by the Central Applications Office (CAO). The CAO processes have resulted in high quality of student biographical data which are imported programmatically into the DUT ITS database. Second, even though students now capture their own subject registrations through self-service web registration, the rigid nature of most DUT structured programmes make it difficult to register for incorrect subjects. However, the imminent introduction of

General Education electives into most programs will change this rigid qualification structure and we will need to review the registration process to make sure that the quality of student registration data is maintained.

In addition to the MI Department, the Human Resources (HR) Division reports a variety of information, both for DUT's senior management and planning needs as well as to various third party clients. This includes staff equity profiles, retirement projections, vacancy analysis, union membership, employee types, levels and academic staff qualifications. The quality of the core HR data for staff planning is good and this is verified in the statutory report submission processes. Periodic staff verification of HR data is performed in order to catch changes to the staff data and correct any errors that are found.

One ongoing project that concerns the HR data is the review and rationalisation of the DUT establishment of posts. Due to a variety of merger and other legacy issues, there are many nearly identical posts with different titles and post numbers which causes the overall staff structure to appear more complex than it really is. The goal of this project is to reduce the number of different posts with multiple positions against them in the establishment. This will simplify many of the common HR reports.

An area of concern that is receiving attention is DUT's space/venue data. A recent project renumbered all venues at the University, and these new room numbers have been captured as new venues in the ITS database. The University has started with the project of building a centralised academic timetable. Specialist staff in the Timetabling Office in the Registrar's Division is running this project. An update and correction of the academic venue data is a key first stage of this project.

Finally, the University's strategic planning process clearly highlighted the need for improved access /self-service access to management information for academic and other general staff. This need is evident from the workload experienced from ad-hoc requests for information by both the MI and ITS departments. In the short term, there are projects to try and rationalise the number of different reports that are generated. There is a strategic level project to identify suitable reporting/business intelligence platforms and to deploy these at the University to shorten the time required for users to obtain operational and planning information from our administration systems.

Student Services

The Student Services and Development Division enhances the quality of student life at the University and plays a critical role in ensuring a positive student experience. The division supports the achievement of institutional objectives in relation to teaching and learning and the institutional development plans through its focus on student development. It takes student-centredness as rubric around which to organise its work. It actively operates as a leader within the University to create a highly desirable and supportive student environment. It focuses on offering quality holistic student support. Such support is structured on the principle annunciated as one of the essential of student-centeredness.

Student Services in the Midlands and Durban centres each comprises of the following sections: Student Counselling and Development, Student Health, Student Life, Sports and Student Housing and Residence Life. The Student Governance section for the whole University is based in Durban.

In meeting the University's and Division's strategic objectives, the departments offer the following core activities:

- psychotherapy, career counselling and assessments;
- psycho-educational training and development and campaigns;
- primary health assessments, health education programs, management of emergencies and referrals, HIV/AIDS testing and counselling and ARV down referral programs;
- HIV/AIDS peer educator programmes;
- competitive and recreational sport programmes;
- co-curricular programmes, general orientation programmes;
- governance and management of SRC elections;
- leadership development programmes; and
- community outreach opportunities for students.

An Emerging Leaders Fellowship Programme was launched during the year. This seeks to develop, mould and reinforce responsible leadership in a group of students who demonstrate potential for leadership. Another leadership initiative, run in conjunction with ICON and ACCORD, seeks to empower students by developing leadership skills and creating opportunities to be mentored as well as engage with community projects as they respond to challenges facing them as citizens and students.

Amongst many other projects and extra-curricular programmes, we are extremely proud of the successful Green Campus Initiative, a student driven programme which continues to receive national accolades. The Residences Education Programmes are well attended and contribute to the academic progression of our students.

These programmes adhere to the University's core value system such as respect, diversity, recognition, opportunity, professionalism and responsibility and support the academic endeavor directly. They also seek to narrow the divide between out of class learning and classroom-based learning. There is much focus in the new strategic plan on the so-called second curriculum on the social, emotional and intellectual growth of our students and this Division will focus on its development.

DUT was involved in the founding of the new umbrella body of all universities' student affairs/student services associations called the Southern African Federation of Student Affairs and Services (SAFSAS), with the DUT Director of Student Housing and Residence Life an executive member for 2014 - 2016.

After much consultation and discussion, Council approved an amended SRC constitution in November 2014. This is a significant milestone and makes provision for a Student Parliament.

The Student Counselling and Health Department is a sought after accredited counseling internship site approved by the HPCSA that provides quality training for intern psychologists, the only such site in the province of KwaZulu-Natal. Funding received for health and wellness activities include a Global Fund award of R400 000 and a NACOSA grant of R500 000 for MSM/LGBTI projects.

Provision of sports continues to be a challenge given limited facilities. Despite this, our students continue to excel in the sports arena, either as individuals or as DUT team participants and a number of staff and students won national and international awards as well as representing South Africa in diverse sporting codes. In Pietermaritzburg, the Inter-Residence Sports League also involves students from the Inter-Residence Sports League together with students of the Umgungundlovu TVET College and Sukuma High School teams as part of the Imbali Education Precinct Project. In addition, the Midland's Sport Centre purchased the right to play in the Sasol League which is a professional league that falls under the auspices of the South African Football Association (SAFA). This is a level above University Sports South Africa (USSA) and the intention is to provide a platform to promote excellence for female football players at DUT and to identify and mentor talent within the local high schools. This will also create an opportunity for students from high schools to study at DUT. Many of our residences have undergone some form of refurbishment. A total of 7 903 students were housed.

Engagement and relationships with the community

The committed support of our external partners - industry, communities and community-based organizations, TVET colleges, private post-school education system, government at all levels, NGOs and community entities - are vitally important for the success of the University. As described at the start of this report, Engagement is one of the two quintessential threads of DUT and we see ourselves as totally embedded in our local context. A Senior Director for Engagement has been appointed on a part-time basis until the Deputy Vice-Chancellor: Engagement portfolio is filled to build strategic partnerships and provide an integrated platform of programmes and projects. There are numerous community engagement projects operational throughout the University which cannot be described for space considerations. For the purposes of this report however, the focus will be on the Urban Futures Centre (UFC@DUT) and a number of other projects which hopefully show the breadth of our relationships with our respective partners.

Situated in the Faculty of Engineering and the Built Environment is the UFC@DUT which is an interdisciplinary research and teaching laboratory that not only builds theory, but also tests out ideas and interventions in ways that are not prescribed and

determined by dominant stakeholders, be they government officials, academics or large social movements. The UFC@DUT seeks to find new solutions to problems and to do so in collaboration with those most affected by the complexities that characterise urban spaces. The UFC@DUT serves as the central node for a network of projects, institutions, practitioners and academics interested in the future of cities locally (in Durban and South Africa) and globally. It currently houses a set of local and international research collaboration projects, including two community engagement projects. Underpinning the workings and activities of the Centre is a concern with the real people who live in cities and their futures.

The Kenneth Gardens Housing Project is a longstanding relationship whereby staff and students from the Department of Homeopathy and the Department of Food and Nutrition:

Consumer Sciences and various other departments have engaged with members of the community of the Kenneth Gardens community. Service learning as a pedagogy has been engendered through the work conducted by the clinic located on the premises. Funding for these engagement initiatives has been sponsored by an NRF Community Engagement Grant housed in the Urban Futures Centre.

The Departments of Mathematics and Chemistry have partnered with the Ikamva Youth NGO to provide tutorial assistance to pupils from grade 8 to 12 in the Chesterville area. The assistance is provided by students who volunteer their services at a municipal hall during the school term and at DUT during the school vacations. In addition, IT support is provided to the computer lab to enable open source online learning and support. Another school tutoring programme involves the SRC and the Department of Student Governance who held Saturday tutorials for matric pupils. This is a key student initiative in building relationships with communities.

The Community Engagement NRF Grant, a DUT multi-disciplinary team of community engagement practitioners, was awarded a grant of more than R3 million from the NRF to enable the development and enhancement of community engagement as a knowledge domain. Much of the research will be drawn from a number of community engagement initiatives from across South Africa, including DUT.

The Centre for Social Entrepreneurship will be established at DUT as a result of funding received from the Department of Small Business Development of the Department of Trade and Industry. An amount of up to R3 million per annum will be made available to DUT for this purpose. This has direct links with communities and with the TVET college sector.

Just one example of the collaboration with SETAs is the Wholesale and Retail SETA Project: Retail School of Excellence (SOE), whereby DUT, public Technical Vocational Education and Training Colleges in KwaZulu-Natal and several KwaZulu-Natal retailers have created the Retail School of Excellence (SOE) that is supported by the Wholesale and Retail SETA. DUT has signed a Memorandum of Understanding with all the retailers affiliated with the SETA. As a result, DUT is also working with mass discounters (GAME) to develop the WALMART Academy.

A renewable energy installation showcases partnerships between DUT and private entities. The Saphumula Secondary School in Umbumbulu was the recipient of a 5.1kW wind and photovoltaic system installed by the DUT Department of Physics and was funded by a donation from the Iqraa Trust and the Al-Baraaka Bank. The system powers lights and computers in all the school's classrooms as well as the photocopying machine.

The Enhancing Care Foundation was incorporated into the University as a research centre in 2014. This is fully-self funded and is a not-for-profit public-benefit entity which aims to promote better quality health care in South Africa. Its work focuses on research, capacity development and health systems strengthening.

There are many other projects. Since DUT sees Engagement as one of its quintessential characteristics, it designs its activities to support this (engagement). One example is that all 12 of its research centres are required to build dynamic interfaces that are transactional in nature with its partners, whether industry, community or government.

Provision of academic courses

There are two significant projects relating to the provision of academic programmes currently underway. The first is the transformational project of curriculum renewal, whereby 30% of all programmes will consist of a General Education component. The aspirations of this project are twofold; namely, transforming teaching, learning and assessment as well as building capacity in curriculum design and development, all towards making the University truly student-centred. The purposes of this endeavour are to:

- broaden what are extremely narrow technical education programmes that will in future contain courses in areas that would be considered to be essential in a university programme;
- introduce courses regarded by employers of DUT graduates as areas to be addressed, such as communication skills, report writing skills, etc;
- introduce higher levels of theoretical learning so as to build the conceptual skills of students. Some employers identified this as a critical area lacking in our curricula.

Closely aligned to this is the introduction of e-learning using a learning management system. Infrastructure challenges have hampered, to an extent, the adoption of this initiative but we

are well on our way to meeting the 2015 target of 50% of programmes having a component of e-learning in them. We currently stand at 57%. The curriculum renewal project thus focuses on staff development, integration of General Education, internationalisation and HIV/AIDS in the curriculum and e-learning, all with the intent of improving the learning experience of our DUT students and to bring those experiences in line with the characteristics of its graduates.

This is also part of the HEQSF alignment process. Only five of our programmes are Category B submissions, while the remainder are all being wholly redesigned (Category C). We begin the process of offering new qualifications in 2015 while the teach-out of our existing qualifications will continue until 2020.

Work integrated learning (WIL) continues to be an important element in the curricula of DUT and the challenge is constantly to understand how to integrate this better into the curriculum and to increase the number of scenarios in which students may be placed.

We are committed to offering a range of formal and non-formal short courses to the adult and lifelong learners through the third-stream income vehicle of the Centre for Continuing Professional Education.

Further information relating to teaching, learning and research is contained in the Senate Report to Council.

Statement of self-assessment of the Vice-Chancellor and Principal

The year 2014 was dense, fulfilling and successful for DUT, notwithstanding difficulties caused by very tight budgets, insufficient financial aid for needy students, the devastating impact of the 'middle-class' trap, extraordinarily high student-staff ratios and a secondary school system that continues to fail millions of young people. The strategic tasks listed below were completed in 2014 and have been successfully implemented.

- The completion of the Strategic Plan 2015 - 2019: Towards Relevance, Responsiveness and Resilience was an extremely important milestone and was an important achievement to have this approved at the December 2014 meeting of the University Council. There was broad and deep consultation and significant discussion.

- The finalisation of the 2015 - 2019 Enrolment Plan was a major feat because of the existence of a number of imponderables such as the undetermined timescales associated with the approval of new programmes, the progress with infrastructure development and the relative uncertainty with regard to the levels of subsidy and financial aid availability. DUT has submitted a plan that indicates a 3.2% growth per annum till 2019 that will result in DUT's student numbers rising from about 26,000 to about 32,000. The bulk of this growth will be at the Midlands Centre.

- A fairly detailed sustainability model was compiled and submitted for discussion by Council. At its centre are four core projects: the tight management of the Enrolment Plan, the planned significant increase in research outputs and postgraduate outputs, the increase in third-stream income from a net income of R15 million in 2015 to R30 million in 2019, and finally, an attack on wastage at all levels.

- CCPE has been established and this is a major milestone in the transformational project of widening access and as a third-stream income generator. It will be fully functional by March 2015.

- Thirteen strong research centres have been established. These are:

a) The Institute of Water and Wastewater Treatment;
b) The Energy Research Centre;
c) The Urban Futures Centre;
d) The Centre for Nanotechnology and Biocomposite Materials;
e) The Enzyme Technology Centre;
f) The Centre for Food Security;
g) Maternal and Child Health Care;
h) Indigenous Knowledge Systems;
i) Centre for Plant Medicine Discovery;
j) The Centre for Culture and Transformation;
k) The Radio Astronomy Centre;
l) e-Technology for Development; and
m) The Centre for Peace Studies.

Each of these centres has one or more dynamic interfaces for engagement with communities, industry, NGO sector and so on. Each is expected to have postgraduate students and to produce published research.

- In the last year, a new set of planning structures have been established: a Division of Policy, Planning and Projects, an Institutional Research facility and a University Planning and Resources Committee. These are supplemented by regular meetings of the Senior Executive Team (SET).

- Significant progress has been made in moving DUT from being a technikon to a University. Primary amongst these steps has been the shift in the number of academic staff with doctorates from 10% in 2010 to 18% in 2014. This figure will probably be at the 20% mark at the end of 2015. A large Curriculum Renewal Project is vigorously underway and this will produce programmes of learning, while vocationally tuned, and will also contain large quantities of general education so as to contribute to the overall development of our students.

This is great progress and we hope that in 2015, the institution will build on this.

Professor Ahmed C Bawa
Vice-Chancellor and Principal

REPORT ON INTERNAL ADMINISTRATIVE/ OPERATIONAL STRUCTURES AND CONTROLS

The Durban University of Technology (DUT) maintains systems of internal control over financial reporting and the safeguarding of assets against unauthorised acquisition, use or disposition. Such systems are designed to provide reasonable assurance to Council and the University in respect of the operational environment. In addition, these systems promote the safeguarding of the University's assets and assist in the preparation and communication of reliable financial and other information. These include, among others, well documented organisational structures setting out the division of responsibilities, established policies and procedures including a Code of Ethics that is communicated throughout the organisation to foster a strong ethical climate and the careful selection, training and development of its people.

Modern information technology systems are in use throughout the organisation. These have been developed and implemented according to defined and documented standards to achieve efficiency, effectiveness, reliability and security. Established standards are applied to protect privacy and ensure controls over all data, including disaster recovery and "backup" procedures. Systems are designed to promote ease of access for all users. The development, maintenance and operation of all systems are under the control of competently trained staff. The use of electronic technology to conduct transactions with staff and third parties necessitates close scrutiny and this is achieved through control procedures that are designed and implemented to minimise the risk of fraud or error.

Internal auditors review the internal control systems and policies and report findings and recommendations to management and the Audit Committee. Corrective actions are taken to address control deficiencies and other opportunities for improving systems when identified. The Council, operating through its Audit and Finance Committees, provides oversight of the financial reporting process.

However, it is recognised that there are inherent limitations to the effectiveness of any system of internal control which include the possibility of human error and the circumvention or overriding of controls. Accordingly, even an effective internal control system can provide only reasonable assurance with respect to financial statement preparation and the safeguarding of assets. Furthermore, the effectiveness of an internal control system can change with circumstances.

The Durban University of Technology assessed its internal control systems during the year ended 31 December 2014 in relation to the criteria for effective internal control over financial reporting described in its Internal Control Manual. Based on its assessment, the University believes that during the year ended 31 December 2014, its system of internal control over its operational environment, information reporting and safeguarding of assets against unauthorised acquisition, use or disposition met these criteria.

DUT reviewed its risk in conjunction with the internal auditors, developed a programme of internal audits to examine the systems, procedures and controls in those areas considered as high risk.

Mr Bishen Singh
Chairperson: Audit Committee

Prof Ahmed Bawa
Vice-Chancellor and Principal

REPORT ON RISK EXPOSURE ASSESSMENT AND THE MANAGEMENT THERE OF

Oversight of the risk management function is exercised by the Council Risk Committee. The Council Risk Committee is a sub-committee of the Council Audit Committee.

The Committee's purpose is to assist the Council in fulfilling its oversight responsibilities with regard to the identification and management of risks within its risk appetite, both upside and downside, and which may affect the University's ability to achieve its strategic goals and objectives.

The Risk Committee consists of the Vice-Chancellor, two members of the Audit Committee, one external member of Council who is not a member of the Audit Committee and two members (non-voting) from the Vice Chancellor's Risk Management Committee who act as advisory members.

At an operational level, the Vice-Chancellor's Risk Management Committee is responsible for developing and updating the risk register. The risk register is the outcome of an annual risk assessment workshop.

The University recognises that identifying and managing risks are critical in ensuring that its strategic and operational objectives are met. In this regard, the University has identified its top financial and non-financial risks as follows:

Financial Risks

- collection of student fees;
- funding from NSFAS;
- fraud, bribery and corruption;
- third stream income; and
- significant project risk.

Non-Financial Risks

- incidence of student unrest;
- facilities;
- quality of student accommodation;
- research output;
- quality of student leadership; and
- safety and security.

Other Financial Risks

The University is adequately covered by insurance policies against fire and allied perils, business disruption, theft, money, fidelity, public liability, accidental damage and employer's liability.

A detailed breakdown of the University's financial risk exposure is reflected in the notes to the Consolidated Financial Statements.

The University is satisfied that there are appropriate control measures and other interventions in place to mitigate both the financial and non-financial risks to tolerable levels. In addition, the risk register has been used to inform both the University's annual and rolling three-year internal audit plans.

Mr R. Harichunder
Chairperson: Risk Committee

Prof Ahmed C Bawa
Vice Chancellor and Principal

COUNCIL'S STATEMENT ON CORPORATE GOVERNANCE

In pursuance of good governance, the Council developed a mechanism for self-evaluation in 2014. In 2015, both outgoing and continuing Council members will participate in a self-evaluation study sought to strengthen the body's role and responsibilities in advancing accountable governance in the University.

Council

The Durban University of Technology Council is responsible for ensuring that University business is conducted in accordance with the law and proper standards, that finances are safeguarded and properly accounted for and used economically and efficiently. This report explains how the University has complied with the stipulated governance framework. In accordance with Regulations for Annual Reporting by Public Higher Education Institutions published in Government Notice No. R. 464 in Government Gazette No. 37726 of 09 June 2014, the DUT Council is required to present this report. The Council considers that it has materially complied with these reporting requirements. In this statement, a brief overview of the University's governance structures, legal status and corporate governance practice is provided.

The composition, powers and responsibilities of the Council are in accordance with the Higher Education Act No 101 of 1997 (as amended), the Durban University of Technology's Statute, Code of Ethics and Code of Conduct for Council members. The Council's responsibilities include ongoing strategic direction of the University, approval of the budget, major developments and policies and receipt of regular reports from Executive Management on day-to-day operations of the University. Council comprises of 30 members, 19 (63%) of whom are external members who are neither employees nor students of DUT.

The role of the Chairperson of the Council is clearly separated from that of the University's Chief Executive, the Vice-Chancellor.

Council met four times in 2014. The first meeting was preceded by a Council Awards annual function on the evening before the meeting at which Council acknowledged staff and students who had excelled in their endeavours during the previous year. Subsequent three meetings were preceded by talks by guest speakers on matters particularly related to higher education. Of significance in 2014 was a Council workshop held on 5 September 2014 attended by Council members, Executive Management and Executive Deans of the University who interrogated the University's Strategic Plan, its financial stability and new developments. At the 22 November 2014 meeting, Council approved the University's Strategic Plan: 2015-2019.

In pursuance of good governance, the Council developed a mechanism for self-evaluation in 2014. In 2015, both outgoing and continuing Council members will participate in a self-evaluation study sought to strengthen the body's role and responsibilities in advancing accountable governance in the University.

Council welcomed the following new members: K Baloyi, D Hlatshwayo, T B Hlongwa and S Johaar (re-appointment) who were appointed by the Minister of Higher Education and Training to fill Ministerial vacancies on Council. L K T Mehta was re-appointed to serve on the ML Sultan Charitable and Educational Trust.

Dr J Reddy was re-elected unopposed as Chair of Council for a further period of two years and is to serve in this position from 6 September 2014 until the conclusion of the third-scheduled Council meeting of 2016.

Council Committees

In discharging its overall responsibility, the DUT Council is also responsible for putting in place proper arrangements for the governance of University affairs and facilitating the effective exercise of its functions through Council committees. Through committees, the Council secures good governance and continuous improvement in the way in which the University exercises its functions.

All Council committees are formally constituted with terms of reference and comprise mainly external members of Council. In addition, one external Council member serves on each of the University's Student Services Board, the Vice-Chancellor's Risk Management Committee; two external Council members serve on the Senate, Institutional Forum and Professorial Appeals Committee, respectively; and the Chair of Council and three external and two internal members of Council serve on the Electoral College for Chancellor.

The details of the Council committees are as follows:

Executive Committee which, inter alia:

(a) acts on behalf of Council in urgent matters with subsequent reporting to Council;
(b) considers and makes recommendations to Council on matters referred to it (Council) by its committees, the Senate and its committees, Executive Management and joint committees of Council and Senate, thus serving as a "clearing house" for Council;
(c) makes recommendations on appeals by staff members who have been found guilty of misconduct;
(d) investigates and finalises any matters delegated by Council;
(e) makes recommendations to Council on policy issues;
(f) refers any matter which it deems necessary in the interest of the University to Senate or any committee;
(g) acts on behalf of Council with full powers during the University's vacation period;
(h) considers nominations for vacancies on Council for recommendation to Council.

Audit Committee which provides assistance to Council with regard to, inter alia:

(a) ensuring compliance with applicable legislation, the requirements of regulatory authorities and matters relating to financial management and internal control, accounting policies, reporting and disclosure;
(b) reviewing and recommending to Council all internal audit plans, findings, problems, reports and fees;
(c) reviewing the annual financial statements for fair presentation and conformity with international financial reporting standards and assessing whether they reflect appropriate accounting practices and principles;
(d) reviewing accounting policies;
(e) recommending to Council the appointment of the internal and external auditors;
(f) ensuring compliance with all areas of risk and the management thereof. The Council Risk Committee reports to the Audit Committee;
(g) ensuring adherence to the Internal Audit Charter. Both the internal and external auditors have unrestricted access to the Audit Committee which ensures unimpaired independence. They attend Audit Committee meetings and are also afforded separate opportunities to meet with the Committee. The Chairperson of Council is not a member of the Audit Committee.

The following is a **Sub-Committee of the Audit Committee** and is chaired by an elected external member of the Audit Committee:

Council Risk Committee, which:

(a) recommends to the Audit Committee the risk philosophy, strategy and policy and ensures compliance with such policy;
(b) recommends to the Audit Committee concerning the levels of risk tolerance and risk appetite and ensures that risks are managed within the levels of tolerance and appetite;
(c) reviews and assesses the integrity of the risk management systems and ensures that the risk policies and strategies result in a thorough understanding of risks faced by the University in the pursuance of its objectives, together with the methods employed to mitigate the impact of those risks;
(d) monitors the reporting of risk by management with particular emphasis on significant risks or exposures and the appropriateness of the steps management has taken to reduce the risk to a tolerable level;
(e) monitors external developments relating to risk management including emerging risks and their potential impact;
risk", i.e. making sure that the University takes advantage of opportunities;
(g) ensures that a formal risk register is maintained with an indication of how the risk is managed and mitigated;
(h) oversees that the risk management plan is widely disseminated throughout the University and integrated in the day-to-day activities of the University;
(i) ensures that risk management assessments are performed on a continuous basis;
(j) reviews reporting concerning risk management, that is to be included in the integrated report, for it being timely, comprehensive and relevant;
(k) considers the result of work performed and the conclusions of the internal Audit Function in relation to the risk management;
(l) liaises closely with the Audit Committee to exchange information relevant to risk.

To fulfil its responsibilities and duties in respect of IT Governance, the Committee:

(a) reviews the adequacy and effectiveness of the control framework and governance structures implemented within the IT environment;
(b) satisfies itself that the risk management process sufficiently covers the IT environment and provides appropriate oversight of the risks identified within that environment;

(c) reviews the arrangements management has implemented for disaster recovery and business continuity;
(d) considers and reviews the reliance of the University on IT systems and obtains assurance that:
- risk assessments were conducted to understand the risks; and
- controls are in place to govern the IT risks within the environments that are highly dependent on systems ; and
(e) considers the adequacy of controls around the management of information and the protection of personal information processed by the University.

Finance Committee, which:
(a) recommends to Council the University's annual revenue and capital budgets which includes student residences;
(b) monitors performance in relation to the approved budgets for Council.

The Finance Committee must, inter alia:

(a) formulate, develop, maintain and recommend to Council all policies in respect of all matters pertaining to the financial management and administration of the University;
(b) recommend to Council all matters of a financial nature;
(c) appoint and mandate signatories to all documents, cheques and agreements of approved transactions of a financial nature;
(d) recommend to the Audit Committee any amendments to the financial rules with a view to enhancing financial control and administrative efficiency;
(e) ratify all tenders approved by the Tender Committee.

The following are **Sub-Committees of the Finance Committee** and are chaired by the **Chairperson of the Finance Committee**:

Tender Committee which is responsible, inter alia, for:

(a) approving and awarding tenders over R1 million, excluding VAT, per purchase;
(b) setting the criteria for evaluating tenders from time to time.

Investment Committee which is responsible, for:

(a) recommending an Investment Strategy to the Finance Committee;
(b) setting benchmarks for the portfolio managers;
(c) ensuring that the long term investments will adequately cover appropriate long term liabilities and capital commitments;
(d) providing guidance to the portfolio managers;
(e) making decisions on the Investment Portfolio based on recommendations made by the portfolio managers.

Joint Audit and Finance Committee which:

(a) recommends the annual financial statements for the preceding year to Council for approval;
(b) such other matters stipulated by Council from time-to-time or as stipulated by the Finance or Audit Committee from time-to-time.

Human Resources Committee which, inter alia:

(a) formulates the conditions of service of employees of the University in accordance with the Higher Education Act (Act No. 101 of 1997) for approval by the Council;
(b) recommends to Council the amendment of conditions of service in accordance with the Basic Condition of Employment Act, the Labour Relations Act and related legislation;
(c) ensures compliance with all labour related legislation;
(d) develops, creates, reviews and amends all policy relating to conditions of employment at the University for approval by Council;
(e) ensures that there is a mechanism developed to allow for all statistics and data to do with human resources which reflect the current situation and remuneration matters, and that a report on these is submitted at each meeting;

(f) ensures that the best practice, as appropriate for the University, is established and operating efficiently within the University, including job grading systems and performance management systems;
(g) develops and submits to Council a remuneration policy appropriate for the University;
(h) considers and recommends to Council matters relating to, inter alia, a remuneration policy.

Remuneration Committee which determines the salary mandate to enable Executive Management to proceed with negotiations with labour.

Code of Conduct Committee which has the power to exercise the following functions in relation to a particular investigation:

(a) make written recommendations to Council proposing amendments to the Council Code of Conduct;
(b) require from a member of Council, in respect of whom a complaint of misconduct has been lodged, to appear before the Code of Conduct Committee, to answer such questions as may be put to him/her by the Committee and to make representations to the Committee. Any other person can be called to give evidence or provide information to the Committee;
(c) make a finding after the conclusion of an investigation and to submit such finding to Council, either with or without a recommendation as to what action, if any, should be

taken in pursuance of such finding;

(d) if the Committee is convinced that continued participation by the member, against whom a complaint has been lodged, will compromise its investigation, the Committee must recommend to Council that the member be suspended from the activities of Council and its committees until the timely finalisation of its investigation and finding. Such recommendation to suspend will be taken by EXCO of Council. If it is against a member of the EXCO of Council, such member will excluded from the EXCO when suspension is decided upon.

Selection Committee for Senior Management which is constituted on an ad hoc basis whenever it is necessary to fill the position of Vice-Chancellor and Principal or that of any Deputy Vice-Chancellor.

Staff and Student Participation

The Durban University of Technology uses a variety of participating structures for issues which affect employees and students directly and materially.

Insofar as staff members are concerned, three trade unions enjoy organisational rights, namely the National Tertiary Education Union (NTEU), the National Educational Health and Allied Workers Union (NEHAWU) and the Tertiary Education National Union of South Africa (TENUSA).

Each trade union elects one academic staff member to sit on Senate, one staff member to sit on the Safety/Health and Environmental Committee, Employment Equity Committee and the Skills and Professional Development Committee, two staff members to sit on the Institutional Forum and five staff members to sit on the Labour Management Consultative Forum respectively. The unions also have observer status on the Selection Committees for all staff and have membership of the Selection Committee for Senior Management and on the Professorial Committee.

In addition, three seats on Council, one on each of the Finance Committee and the Human Resources Committee of Council and four on the Institutional Forum, are reserved for elected staff members.

The participation by students in decision-making is ensured by the membership afforded to the Student Representative Council (SRC) in various formal and working committees. In terms of the highest decision-making bodies, the SRC appoints two members to Council, three members to Senate, four members to the Institutional Forum, one member to each of the Executive Committees of Council and Senate, one member to the Finance Committee of Council, one member to the Safety/Health and Environmental Committee and four members to the Student Services Board. In addition, one student representative from each faculty and two student members on the Central Housing Council from the Durban and Midlands centres respectively sit on the Student Services Board. Furthermore, one SRC member sits on each of the Library Committee, the Selection Committees for Executive Managers, the Student Disciplinary Tribunal and the Vice-Chancellor's Student Appeals Tribunal. They also serve on the HIV/AIDS, Financial Aid, Fees and Housing committees. Students also have representation on all faculty boards.

Statement on Ethics

The University's Code of Ethics, as approved by Council, is a statement of the ethical principles, values and behaviours expected of the staff and individuals associated with the University. Such persons are required to be careful, honest, responsible and efficient and to avoid impropriety or the appearance of impropriety in order to preserve the resources and assets of the University for the Public Good. The Code also seeks to promote the highest standards of scientific and professional integrity and to give due consideration to the ethical issues arising from the activities of the University.

Professor Thenjiwe Meyiwa
Registrar and Secretary to Council

This report was approved by Council at its meeting on 7 March 2015.

REPORT OF THE SENATE TO COUNCIL

The Centre for Continuing and Professional Education (CCPE) was established in 2014. CCPE is geared towards extending educational opportunities to adult and lifelong learners. The main focus is to ensure continued access to quality and flexible learning programmes to a diverse pool of learners.

Vision

A preferred University for developing leadership in technology and productive citizenship.

Mission

To excel through:

- A teaching and learning environment that values and supports the university community.
- Promoting excellence in learning and teaching, technology transfer and applied research.
- External engagement that promotes innovation and entrepreneurship through collaboration and partnership.

Changes in academic structure

The Centre for Continuing and Professional Education (CCPE) was established in 2014. CCPE is geared towards extending educational opportunities to adult and lifelong learners. The main focus is to ensure continued access to quality and flexible learning programmes to a diverse pool of learners. The following categories of programmes are offered:

- Formal programmes that lead to attainment of University qualifications.
- Continuing Education – aimed at meeting the needs of the changing workplace demands.
- "Fun courses" – mainly personal enrichment courses.
- Continuing Professional Development.

Composition of Senate

Voting members

1. Vice-Chancellor (Chair of Senate)
2. Deputy vice-chancellors
3. Executive deans of faculties
4. Deputy deans of faculties
5. Heads of academic departments or schools
6. Senior academic staff (that is, all appointments above senior lecturer)
7. Staff membership in accordance with the Institutional Rules as approved by Senate and Council, namely:

7.1	Director: Research and Postgraduate Support
7.2	Director: Technology Transfer and Innovation
7.3	Director: Library Services
7.4	Director: Centre for Equity, Change and Diversity Management
7.5	Director: Centre for Excellence in Learning and Teaching
7.6	Director: International Education and Partnerships
7.7	Director: Co-operative Education
7.8	Director: Enterprise Development Unit
7.9	Director: Centre for Quality Promotion and Assurance
7.10	Director: Centre for Continuing and Professional Education
7.11	Dean of Students
7.12	Director: Midlands Campus

8. One academic staff member of each trade union elected respectively by each trade union.
9. Three students appointed by the SRC, at least one of whom must be a postgraduate student, and at least one of whom must be a member of the SRC.
10. Two members of Council elected by Council who are neither staff nor students.

Non-voting members

11. Special Assistant to the Vice Chancellor
12. Registrar (Secretary to Senate)

Significant Developments

Teaching and learning

The Durban University of Technology experienced a number of significant developments across the institution in 2014. The following are worth noting:

- The University received accreditation from Council on Higher Education (CHE) for a number of new programmes in the faculties of Health Sciences, Management Sciences, Accounting and Informatics, Applied Sciences and Arts and Design. The Faculty of Engineering and the Built Environment will be submitting its new three-year degree programmes for accreditation to CHE during the course of 2015. The conversion from Master of Technology and Doctor of Technology degrees to Master's and doctorates was approved by DHET on August 26th. We hope that we will be able to register students in the "new" qualifications in 2015 or 2016 at the latest.

- The Faculty of Accounting and Informatics implemented a focused and deliberate student performance monitoring and support programme. The Faculty set itself norms for subjects at risk as well as students at risk based on academic performance. According to the Faculty's Annual Quality Monitoring Report peer-to-peer learning, tutorials, increased e-learning uptake and the use of social networking tools to motivate students has yielded positive results.

- The Faculty of Arts and Design hosted a digital festival themed "Democracy 2020" from 12-13 September 2014. The aim was to encourage students and staff to celebrate the country's 20 years of democracy. According to the Executive Dean of the Faculty, Dr René Smith, the festival prioritised interdisciplinary work as well as works that showcased entrepreneurship in the creative and visual performing arts. Students from Graphic Design, Interior Design and Fashion and Textiles programmes won a number of national and international awards. A student from Video Technology won the Faculty's prestigious Emma Smith Art Scholarship Award. Dennis Clifford Purvis, a lecturer from the Department of Visual Communication was awarded the Vice-Chancellor's Teaching Excellence Award in 2014.

- There were a number of awards received by the students from the Faculty of Health Sciences as well. For instance, a student from the Department of Homoeopathy was awarded the prestigious ABE Bailey Scholarship whereas staff and students from the Department of Emergency Medical Care and Rescue "took first place in the 29th International Southern African Emergency Services Institute Conference High Angle Challenge" (Faculty Annual Quality Monitoring Report, 2014).

- Most significantly in 2014, the Faculty of Health Sciences launched of the Medical Orthotics and Prosthetics facility at Wentworth Hospital in partnership with the KwaZulu-Natal Department of Health. A new Health Sciences Clinic offering services in Chiropractic, Dental, Homoeopathy, Radiography and Somatology was opened. In addition, the Faculty acquired a mobile clinic to train students through service to rural communities.

- The Faculty of Engineering and the Built Environment received full accreditation from the Engineering Council of South Africa (ECSA) for all its academic programmes except two, which are due for a re-visit by ECSA in 2015. Similarly, Construction Management programmes have received full accreditation from the South African Council for Project and Construction Management Professions. This is a remarkable achievement and we are very proud of the Faculty's concerted work towards ensuring that DUT continues to offer quality engineering and built environment programmes.

- A one-stop student information and support centre was established at the ML Sultan Campus "in order to provide students and visitors a more customer focused service…" (Academic Quality Report, Faculty of Management Sciences, 2014).

- In line with the University's strategic direction in terms of student centredness and innovation in teaching and learning, the Library embarked on a series of projects to repurpose existing learning spaces and introduce innovative technological enhancements as the key driver for change. Some of these changes have challenged traditional library norms and values that staff and students are accustomed to. The impact of these initiatives has been positively welcomed, contributing to the Library's goal of enhancing the student experience. There is an increase in the number of users visiting the Library, 3 274 391 users visited libraries in 2014, a 13% footcount increase, this despite the availabiliy of library resources anywhere, anytime.

- To support the University's e-learning initiatives, the Library has progressively increased the purchase of e-resources since 2010, with purchases of over 50 000 e-books in the past two years. The University community has access to over 250 000 e-books currently and usage of these e-resources is growing due to improved access to resources from on and off campus, library training initiatives and a general increase in access to technology.

- The Library continues to champion Open Access (OA) in the institution. Advocacy for OA was strengthened this year with the OA Symposium that took place during International Open Access Week. The Library, together with the e-Learning Project, co-hosted a two-day symposium in October. The symposium theme was titled: Generation Open - the Promise of Open Access and

Open Educational Resources. The symposium coincided with International Open Access Week and speakers at the symposium reflected the twin themes of OA and OERs. The Library had the opportunity to share its stance on OA and the use OERs for library teaching and learning. Three major outcomes were derived from the symposium:

- DUT's adoption of an Open Access policy for the institution;
- The formation of a community of practice around the design and development of OERs; and
- The DUT Institutional Repository's expansion to include OERs.

- The official launch of the Writing Centres was held on 11 September 2013. Since then, an annual student writing competition has been established. The student writing competition is aimed at introducing students to some of Africa's icons. Hence, the lives of the late Chinua Achebe and the late first democratically elected president of the Republic of South Africa, Nelson Rolihlahla Mandela, were respectively honoured in the 2013 and 2014 competitions. Broad themes for writing have included modernity and tradition. Students could select to write poetry, short stories and/or essays.

- In 2014, reports from the Writing Centre show increased usage of the centres. The demand has been huge. For the third quarter alone, the report shows that the centres conducted 1837 face-to-face consultations, 37 online consultations and number of workshops with a total attendance of 455 participants. In addition, 264 participants attended orientation and/or class visits. Walk-ins for queries and/or independent were 331. Plans are underway to extend the centres' operating hours to include after hours and weekends.

- The Confucius Institute at the Durban University of Technology was formally launched and the teaching of Mandarin commenced by July 2014. The activities of this Institute expanded rapidly over the next six months, both in terms of teaching Chinese language and culture as well as external engagement including hosting the spring festival at the Durban City Hall. Of relevance to this report are the enormous opportunities for collaboration with our Chinese partner university - the Fujian Agriculture and Forestry University.

- The Curriculum Renewal Project (CRP) continues to be seen as a transformational project at DUT. The project has created an opportunity to ensure massive participation of the academic staff with a view to creating a critical mass of academic staff with requisite knowledge and skills in curriculum development; a crucial competence for all academics. Hence, the curriculum renewal project has provided space for an engaged and vibrant process of learning and development for both staff and students; a dialogue that places student-centeredness and DUT as a locally engaged and connected higher education institution within a wider global context in the centre. The report on the CRP focuses on:

  - staff development;
  - integration of General Education, internationalisation and HIV/AIDS in the curriculum; and
  - e-learning.

- Staff development for teaching the Cornerstone Module began in 2014. The focus was to ensure that the lecturers teaching this institution-wide module have a shared understanding of the purpose of this module and what it is trying to achieve. Hence, emphasis has been on facilitating the development of high impact teaching/learning/assessment practices towards the attainment of the intended learning outcomes of general education.

- It is worth noting that attainment of our original goal to facilitate the integration of HIV/AIDS into the curriculum has just been made possible. We have been allocated a total of R450 000.00 to develop academic staff in integrating HIV/AIDS in the curriculum.

- Jos Beelen, a leading researcher and consultant on internationalisation of the curriculum presented a two day workshop to DUT staff on ways to internationalise the curriculum. This programme was aligned to the DUT Strategic Plan, graduate attributes and curriculum renewal programme.

- Work on e-learning, which began in 2012, continued in earnest in 2014. The target is to ensure that 50% of our programmes have online content by 2015. Pathfinder projects aimed at testing a number of areas such as infrastructure, business processes and integrations as well as teaching and learning were implemented. In addition, a group of projects, known as the Vanguard Projects, were identified. These include academic programmes that already have a significant use of online learning. For the Vanguard Programmes, the aim is to create a complete virtual learning environment for the students with everything related to the course/programme available online. To date, there has been a gradual uptake of e-learning from 19% in 2013 to 31% in 2014. The Centre for Excellence in Learning and Teaching (CELT) runs staff development workshops and/or training sessions on online teaching and learning. The highlight however is the annual teaching and learning symposium aimed at creating space for staff to share best practice in teaching, learning and assessment as well as learning from international and national experts in these areas. The Educational Technology team has been very instrumental in providing staff development for the planned increased uptake in e-learning.

Research

Four researchers were successful in their applications for NRF rating. This increased the number of rated researchers at DUT from 16 to 20. Importantly, one of the newly rated researchers, Professor T A Stenstrom achieved a B3 rating. His research is in water and waste water technology.

DUT has identified a need for the institution to create competitive and prestigious research centres and focus areas sponsored by private and public funding. DUT has committed itself research expenditure towards making the University self-sustainable in the next five years and providing a platform for researchers to contribute to the development of the region and the country. The following research focus areas were identified:

Established Focus Areas

Water, Enzyme Technology, Nano-composites, Food and Nutrition Security, Computational and Bio-analytical Chemistry, Systems Science, Indigenous Knowledge Systems and Drug Discovery Systems; Health Studies (HIV/AIDS).

Emerging Focus Areas

Energy, Management Studies, Child and Maternal Health, ICT

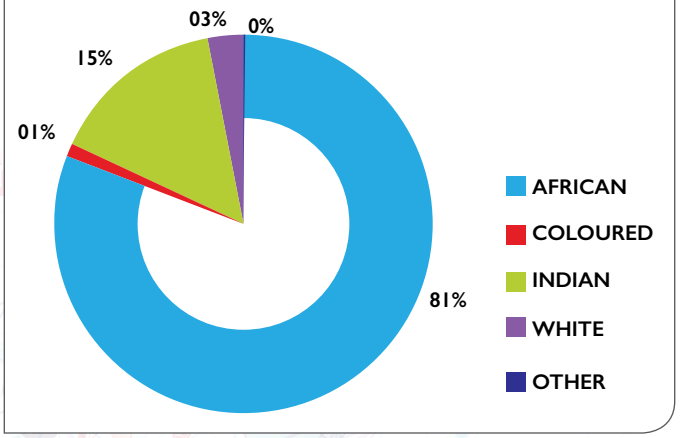
and Society, Transformation through the Arts and Design, Urban Futures (UFC@DUT), Peace Studies (International Centre on Non-violence, ICON), Transformational Educational Studies, Higher Education Management Studies.

The University will continue identifying new areas as the need arises.

Composition and Size of Student Body

Headcount enrolment at DUT in 2014 was 26 404 which was a 1.3% increase from the 2013 enrolment. As apparent in figure 1,

Figure 1: Headcount Enrolment by Race

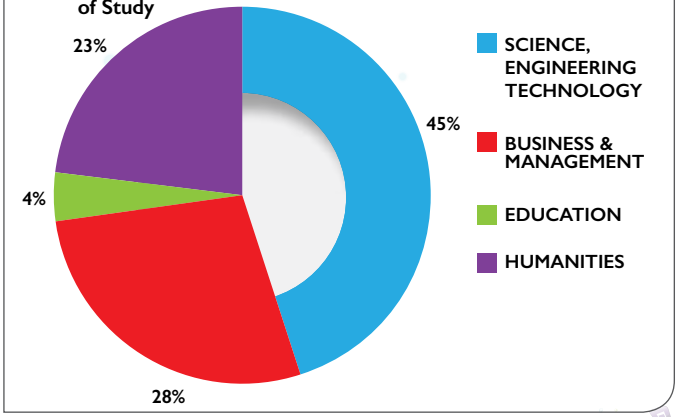


African students comprised 81% of the student body, followed by Indian students at 15%. The remaining 3% and 1% of the student composition by race in 2014 were White and Coloured students respectively. Only 3% (n = 752) of the 26 404 students registered at DUT were pursuing postgraduate (PG) studies.

Enrolment in PG studies by race was 49.7% African, 29.8% Indian, 16% Whites and 2.7% Coloured. The remaining 1.8% was taken up by the "other" category. With respect to participation by gender, the split was 52% and 48% male and female representation respectively. This constitutes a slight decline of 1% headcount enrolment for female students compared to 2013.

Full-Time Equivalent enrolment by field of study showed a 1% increase in Science, Engineering and Technology from 44% in 2013 to 45% in 2014. The Business and Management fields of study saw a 2% reduction in enrolment from 30% in 2013 to 28% in 2014. Education and Humanities FTE enrolment was 4% and 23% respectively. See figure 2

Figure 2: Enrolment per Full-Time Equivalent by Field of Study



International student enrolment continued to improve from 481 in 2011 to 653 in 2013. This constitutes only 3% of the student population at DUT. Of the 653 international students enrolled at DUT in 2013, 398 (61%) were from SADC countries. The institution continues to review and revise its admission policies to try and achieve a more facilitative process in the recruitment and selection of international students. Of concern is that DUT still falls short of SADC enrolment target (5%) for the country's HEIs.

In 2014, more than 150 students from German and French partner universities engaged in the study abroad programme at DUT. The programme has become increasingly popular with European students and the number of student participating in these programmes has shown steady increase in the last few years.

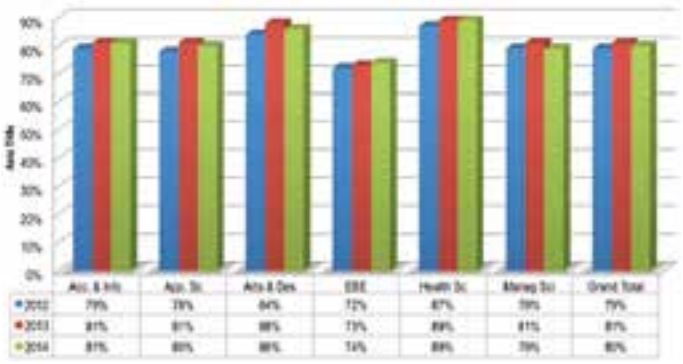
There was a notable decline in the enrolment of students with disabilities from 182 in 2013 to 173 in 2014. Access for disabled students remains very low. The physical layout of the institution, especially as this relates to traffic congestion and lack of lifts in some buildings, remains a challenge.

Teaching and Learning

Success Rates

Data on student performance show that DUT continues to meet DHET approved targets in respect of success rates (77.5%), with an overall success rate at 80% in 2014. Perusal of Figure 3 below reveals that there has been sustained improvement in success rates in all faculties from 2012-2014. Faculties have instituted a number of interventions aimed at helping students succeed. These measures include identifying and tracking students at academic risk as well as tutoring and mentoring.

Figure 3: Success Rates by Faculty (2012-2014)

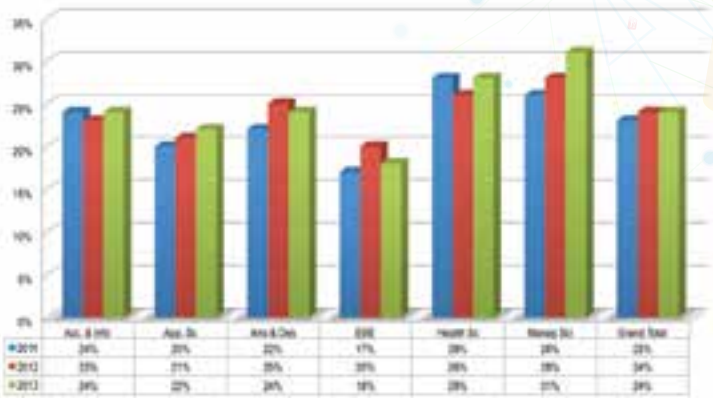


Legend: Acc. & Info - Accounting and Informatics; Appl. Sc. - Applied Sciences; Arts & Des - Arts and Design; EBE - Engineering and the Built Environment; Health Sc. - Health Sciences; Manag. Sc. - Management Sciences.

Graduation Rates

DUT's graduation rates were in alignment with DHET's approved target at 24% in 2013, 98% of which was in undergraduate (UG) studies. Data on graduation rates by faculty appear in Figure 4. The faculties of Management Sciences and Health Sciences recorded the highest graduation rates at 31% and 28% respectively.

Figure 4: Graduation Rates by Faculty

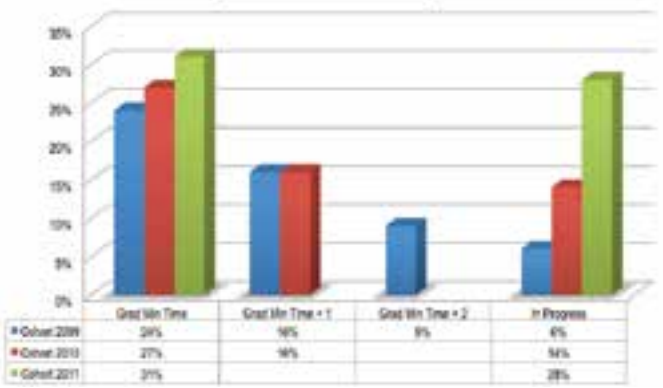


Legend: Acc. & Info – Accounting and Informatics; Appl. Sc. – Applied Sciences; Arts & Des – Arts and Design; EBE – Engineering and the Built Environment; Health Sc. – Health Sciences; Manag. Sc. – Management Sciences

Cohort Studies

Figure 5 illustrates data on completion rates by cohorts of students registered for national diplomas from 2009-2011. There has been a gradual improvement in the percentage of students who graduated in minimum time for the three cohorts of students under review. Noticeable is the increase from 27% to 31% for the year 2010 and the 2011 cohorts. Not surprisingly, there has been a concomitant decline in dropout rates (see Figure 6). This might be attributed to a number of efforts at faculty and academic department level.

Figure 5: Cohort Studies (National Diplomas)



One of the objectives we had set for our work during the period under review was to ensure a gradual decrease in dropout rates. These indicators were high at 46% for the 2009 cohort. A gradual decrease from 46% for the 2009 cohort to 42% 2011

cohort was achieved. We are aware that a 42% dropout rate is still very high. This however, is much lower than the national average, which has been reported to be at 53% for the 2007 cohort (see Figure 6).

Figure 6: Dropout Rates: 2009-2011 Cohort

[1]CHE. 2014. Vital Stats 2012. Pretoria, 2014

Research

Funds

Funds for various research activities were received in 2014. Specifically, NRF funding allocation for projects that started in 2014 was R17 338 240.00. A total of R3 860 000.00 was received from the NRF BTech Block Grant in 2014. The allocation was as follows:

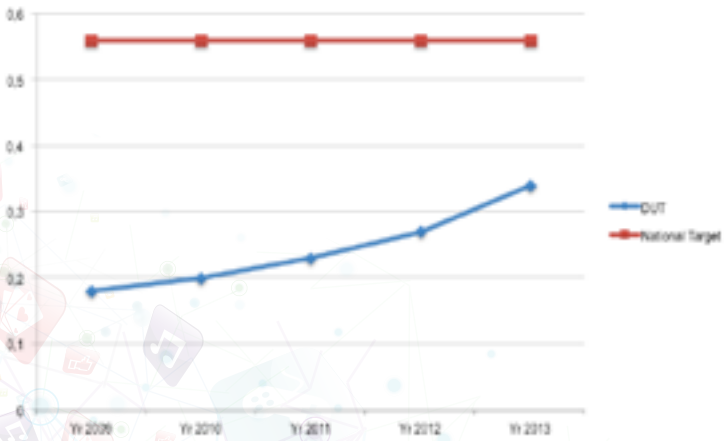
- Innovation: R 1 960 000.00
- Scarce Skills: R1 600 000.00
- Free Standing: R300 000.00

In addition, an amount of R120 000.00 was awarded from the Master's Block Grant. An amount of R799 500.00 was obtained from the India/Brazil/South Africa Co-operation Programme.

Outputs and Staff Qualifications

Figure 6 presents a trend analysis of DUT's weighted research per capita output from 2009-2013. Research outputs remain below the national standard for UoTs, set at 0.56 per headcount permanent instructional and research staff. There is evidence, however, that we are slowly making progress towards achieving these targets. For instance, per capita research output units increased from 0.18 in 2009 to 0.38 in 2013 (MIS data August 2014). A recent report from DHET puts DUT's 2013 weighted research per capita output at .34. Actual research output units increased from 102.7 in 2009 to 230.15 in 2013. This represents a 55% increase in research units in five years.

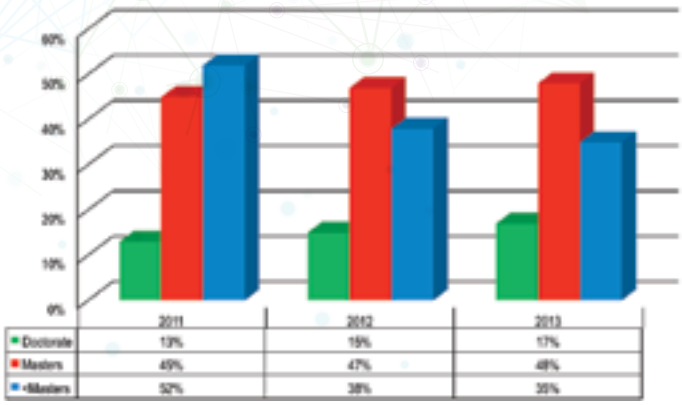
Figure 7: Weighted Per Capita Research Ouput Units



Research outputs are a function of the number of staff with postgraduate qualifications. The observed gradual improvement in research outputs can be attributed to the steady improvement in staff qualifications, especially those with doctoral qualifications.

The period 2011-2013 saw a shift from 13% to 17% of staff with doctoral qualifications and 45% to 48% with Master's degrees. Furthermore, there has been a noticeable decline in the percentage of staff without a Master's degree for the period under review. We are confident that this positive trend will continue. An executive decision was taken to advertise all vacant posts such that we can attract staff with Master's and PhDs. These data appear in Figure 7.

Figure 7: Staff Qualifications



Conclusion

The year 2014 was very exciting and challenging at DUT. We have made some gains in terms of student access with success, research participation and outputs as well as creating opportunities for postgraduate studies for our staff including the DUT-SANTRUST Pre-Doctoral Programme that enrolled at least 30 academic staff expected to complete their research proposals by early 2015. We believe that this will see an increase in the number of staff with doctorates by 2016.

Professor Nomthandazo Gwele
DVC: Academic

Professor Ahmed Bawa
Chair of Senate

INSTITUTIONAL FORUM (IF) REPORT

The IF is buoyed by the governance and management stability at the Durban University of Technology and looks forward to continuing to contribute to that stability and the future progress of the University.

The year 2014 was once again an active and fulfilling year for the Institutional Forum (IF) at the Durban University of Technology. All scheduled meetings of the IF took place and the confirmed minutes of these meetings served at the University's Council meetings.

One of the most important discussions held during 2014 was for the new Strategic Plan: 2015-2019. This document outlines the strategic thrust for the University for the next few years. It is an exciting Plan that focuses the University as a student-centred and deeply engaged University. It is a bold, visionary and challenging strategic plan that will redefine the University in terms of its academic programmes, research activities, partnerships and operational efficiency. The IF fully supported this Plan which was subsequently approved by Council. The IF anticipates working with other stakeholders at DUT to give optimal expression to this strategic plan.

During 2014, the IF held a workshop to reflect and chart a new way of enhancing its functioning. This was a vibrant stimulating meeting and out of it has come a video presentation on the functioning of the IF. The IF has requested that the discussions of this workshop and the video produced be conveyed as a presentation to Council.

The Forum also formed a task team to draft a social media conduct policy for DUT. This policy will be presented to Council after input from various University stakeholders University is obtained.

The IF took a decision to create a new sub-committee known as the Transformation Forum. This sub-committee is made up of all stakeholders of the Durban University of Technology and is a transformation oversight committee that will advise the Transformation Committee of Council. This sub-committee intends to work with Management in organising an annual University conference on transformation.

Various other discussions took place at the IF during 2014, including infrastructural plans for DUT, post-retirement medical aid, review and evaluation of all staff at the University and student academic performance.

The IF at DUT also responded to invitations by the Department of Higher Education and Training to assist with workshops to improve the functioning of the IF at other institutions.

In 2014, members of the IF once again stood shoulder-to-shoulder in delivering on the body's (IF) statutory mandate as envisaged in the Higher Education Act. However, much still needs to be done to strengthen the structural nexus between the IF and Council, and the flow of information between these bodies to optimise the functioning of the IF vis-a-vis its role in advising Council and its broader role as envisaged in the Higher Education Act.

The IF is buoyed by the governance and management stability at the Durban University of Technology and looks forward to continuing to contribute to that stability and the future progress of the University.

Dr Lavern Samuels
Chair: Institutional Forum

REPORT OF THE CHIEF FINANCIAL OFFICER AND THE CHAIRPERSON OF THE FINANCE COMMITTEE

Despite continued pressure on its financial resources, the University had a positive financial year. The University realised a net surplus from operations. This may be attributed to cost containment, fiscal discipline and to not filling certain budgeted academic and administration staff positions.

This report provides an overview of the financial results of the University for the 2014 financial year, the University's budget process, allocation of resources according to strategic objectives and control mechanisms in place to maintain financial discipline.

Despite continued pressure on its financial resources, the University had a positive financial year. The University realised a net surplus from operations. This may be attributed to cost containment, fiscal discipline and to not filling certain budgeted academic and administration staff positions.

OVERVIEW OF THE BUDGET PROCESS

The budgets are prepared generally on zero based principles and each operating division provides input into the budget preparation. The process followed is set out below:

- The income for the University is projected;
- Funds are allocated for strategic priorities;
- The staffing costs for all permanent posts within the University establishment are calculated;
- The institutional costs i.e. costs not directly associated with departments, e.g. electricity, rates, insurance, advertising, audit fees, etc. are calculated;
- An allocation is awarded to the respective sectors for their operating budgets, departments in turn are required to align their budgets in terms of their strategic and operation plan using zero based budget principles;
- Meetings are held with the Vice Chancellor, Deputy Vice Chancellor: Academic and members of Senior Executive Team (SET) to review the budget allocations;
- The SRC is consulted on the tuition and the residence fee adjustments;
- The final draft budget is discussed with the University Planning and Resources Committee (UPRC) which recommends it to the Finance Committee;
- The Finance Committee in turn interrogates the budget and recommends it to the University's Council for approval.

Principles that underpin the budget process

- The Ministerial Statement on University funding;
- Alignment to the strategic plan of the University;
- Balanced budget;
- Financial sustainability.

ALLOCATION OF RESOURCES

Academic and Research

60% of the University's total budget was allocated to the Research and Academic sector. These two sectors however, accounted for 75% of the University's staff costs.

Institutional Costs

This includes electricity, rates, insurance, audit fees, bank charges, internet connectivity and costs of implementing strategic imperatives identified by the Vice Chancellor. The Institutional cost allocation accounted for 22% of the University's total budget.

Deputy Vice Chancellor (DVC) Institutional Support Sector:- This sector's allocation accounted for 13% of the University's total budget and 16% of the University's staff costs.

Vice Chancellor (VC) Sector

This sector's cost allocation accounted for 5% of the University's total budget and 7% of the University staff costs.

BUDGETARY CONTROL

The University adopts zero tolerance on unauthorised expenditure and strict fiscal discipline and budgetary controls are exercised. Expenditure is authorised in terms of the Council approved delegation of authority.

COMMENTS ON THE FINANCIAL RESULTS

The consolidated financial statements of the Durban University of Technology ("DUT") includes the results of the University and its' subsidiaries namely, Durban University of Technology (Pty) Ltd, Melrose Properties (Pty) Ltd, Maxelect Investments (Pty) Ltd, and the Business Studies Unit, a division of the Durban University of Technology.

Unqualified Audit Opinion

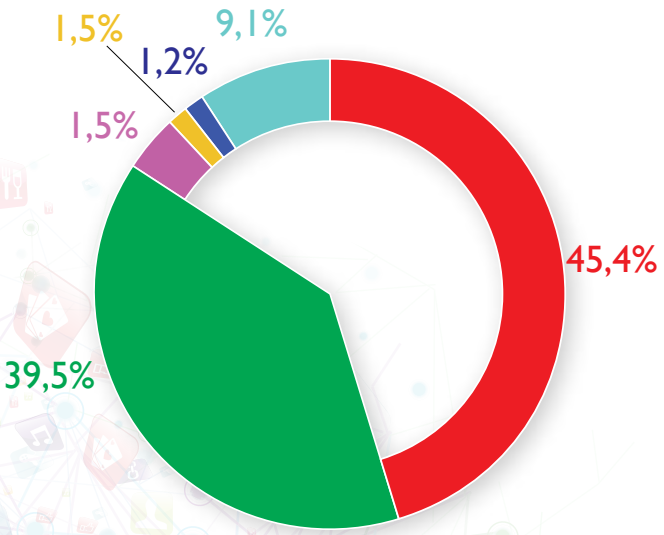
The auditors have issued an unqualified opinion on the consolidated financial statements.

Income vs Expenditure

The net surplus from operations was R40 680m and the surplus for the year after transfers was R108 467m.

Included in the surplus of R108 467m are the following: - R35.6m gains on disposal of non-current investments; R11.5m interest & dividends from non-current investments, which have been capitalised into investments and R26 718m which has been reallocated to departments.

INCOME



INCOME 2014	R'000
State Subsidy	R 640 076
Tuition and Other Fees	R 549 310
Investment Income	R 53 984
Research and Other Activities	R 21 093
Other Income	R 16 299
Non Re-current Income	R128 691

The main sources of Income were State Subsidy 45.4% and tuition fee 39%, which make up 84.4% of the University's revenue, non-recurrent income accounted for 9.1% of total revenue.

The above figures indicates that the University is still very reliant on only two income streams i.e. state subsidy and tuition and other fees. Greater effort needs to be made to develop other income streams.

GOVERNMENTS GRANTS

State Subsidy Income

Subsidy income increased from R 616m in 2013 to R 640m in 2014, an increase of 3.9%. The subsidy income is analysed as follows:

Teaching inputs

The University's actual teaching input was 40 700 FTE's but we were funded for only 39 068 FTE's.

Teaching outputs

It is important to recognise that the University exceeded the normed output by 1039 which converts to R20 731m.

Research outputs

The University's actual output was 134 against the normed output of 338.

Development Grants

The University received R12 190m in Research Development Grants and R20 027m in Teaching Development Grants.

FEE INCOME

Tuition Fee: Increased from R397 109m in 2013 to R412 653m in 2014. The head count enrolment of students was 26 404 (2013: 26 059). Tuition and related fees were adjusted by 9%.

Although fees were adjusted by 9% and the University exceeded enrolment targets, the total tuition fee income increased by only 3.91% which is a concern because we have not achieved a growth in tuition fee income in real terms. This can be attributed to students not enrolling for the full curriculum and an increase in the number of students who have received a discount on fees in terms of the University's under-graduate scholarship awards scheme.

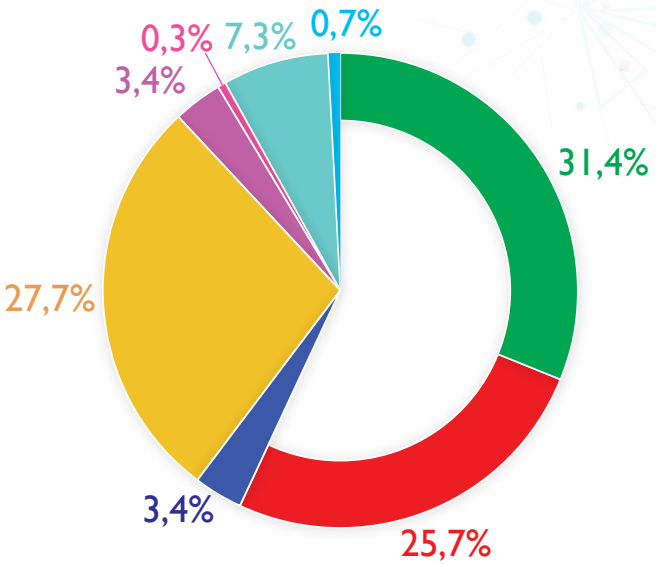
Residence Fee: Increased by 17.4% from R116 391m to R136 657m. The residence fee was adjusted by 11% and 12% for the Durban and Midlands campuses respectively. For the year under review, the leased residence fee was based on a full cost recovery model.

The growth in residence fee income is due to the increase in the number of beds that have been leased.

Investment Income

Investment income includes interest received from short term deposits, call accounts and interest and dividends from non-current investments.

Expenditure 2014



Academic and Other Staff Compensation (Recurrent)

The above costs increased by R52 763m from R 686 230m to R738 993m. This includes a salary increase of 6% and a net increase in the provision for post-retirement benefits and other staff compensation costs of R3.1m. The effective increase in personnel compensation costs was 7.69%.

Ratio of Staff costs to re-current income:-

The ratio of staff costs to re-current income for the year under review was 69% (2013: 66.3%). Re-current income is defined as state subsidy and other fee income.

The reason for the increase in this ratio is that staff compensation

costs which account for 69% of total expenditure in Council controlled funds, increased by 7.69%, whereas re-current income increased by only 3.86%.

In striving towards reaching the DHET's benchmark of 58% - 62% for this ratio, Executive Management has the following interventions in place:

- The University did not create any new posts for the 2014 year;
- All vacant administrative posts are reviewed by Executive Management before they are filled.

Executive Management continues to look for ways to reduce the ratio, including increasing income which means increasing student numbers and third stream income. In this regard the University has increased its projections for student numbers in its enrolment plan for the academic years, 2015 to 2019.

POST-RETIREMENT BENEFITS

Pension

DUT employees on the NTRF pension fund are entitled to a defined contribution pension benefit. Members who transferred from the AIPF (Government Pension fund) to NTRF in 1994 are entitled to a minimum defined benefit, which is guaranteed upon normal retirement age (60 years).

The University's obligation in terms of the above as at 31 December 2014 was R73m (2013: R79.2m).This is a closed scheme.

Medical Aid

The Post-Retirement Medical Aid (PRMA) Scheme of the University applies to eligible members who are former Technikon Natal staff who entered the medical aid scheme before 1 January 2000. No benefit is payable upon withdrawal.

This Scheme currently has 163 employed and 172 retired members.

The Actuarial Valuation of the post retirement benefit obligation as at 1 December 2014 was R 153m (2013: R138.7m).

This is a closed scheme

The above liabilities are unfunded and have been provided for in the Annual Financial Statements. The total cost of Post-Retirement Benefits as at 31 December 2014, amounted to R 226m (2013: R217.9m)

Other Operating Costs

Other operating costs in respect of the University's operations, excluding provision for bad debts, increased by 11% from R201 436m to R222 674m.

Other operating costs in respect of student accommodation, excluding provision for bad debts, increased by 11.39% from R92 645m to R103 198m.

Lease costs accounted for 62% of the total student accommodation operating costs.

Outsourced costs

Security and cleaning costs increased by 7.22% from R41 560m in 2013 to R 44 562m in 2014.

Receivables and Pre-payments

A cumulative provision of R251m (2013: R227m) for tuition and residence fee student debtors has been provided for as at 31 December 2014. Student debt after the above provision is R136m. Included in other receivables is an amount of R23 266m due by NSFAS, which was received subsequent to year end. The other major component of receivables is interest accrued (R13.8m).

Student Debtors Provision

There has been an overall increase in tuition and residence fees of 9% accompanied by a 12% increase in student debt provision mainly because the NSFAS funding decreased by approximately 5%. On average, 72% of the student debtors balances are provided for at year-end.

The risk relating to student fees 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 addition, students with outstanding balances from previous years of study are only permitted to renew their registration after either settling the outstanding amount or the conclusion of a formal payment arrangement.

National Student Financial Aid Scheme (NSFAS)

The NSFAS new business processes have impacted on student debt and some of the problems can be described as follows:

- Students who have received telephonic confirmation of funding have either not received any funding or received partial funding.

- A large number of students who are eligible to register for 2015 cannot do so because their 2014 debt remains unpaid by NSFAS.
- There is also a category of students who have received full funding confirmations for 2015, but they are carrying debt from prior years, because they had not previously applied for NSFAS funding.

The rollover of NSFAS student debt is an area of serious concern and will affect future cash inflows of the University.

Student Loans

The University has advanced loans to students to the value of R65 198m over the years. These loans are administered by NSFAS. The terms and conditions of these loans are identical to the loans granted by NSFAS, except that these are interest free loans and have no bursary element. It is important to note that in the previous valuations of the DUT loan model an amendment was made to accommodate the recent change in the law that prevents NSFAS from automatically making salary deductions from students when they obtain employment. The change in essence delays the commencement date for the loan repayment.

The value of student loans after fair value adjustment and provision for impairment is R23 024m (2013: R19 072m).

Non-current investments

The University's investment portfolio increased by R44 316m from R395 596m to R439 912m. The main reason for the growth is due to the increase in the market value of the portfolio.

The cash component of these investments is R47 018m.

Cash Flow and Liquidity

The University's cash flow continues to be positive. Cash and cash equivalents as at year end increased from R820 514m to R830 881m.

The current ratio is 5.3:1 which exceeds the accepted norm of 2:1.
The University's objective is to hold enough cash to fund at least three months operations at any point in time. After taking into account infrastructure costs, earmarked and restricted funds, the University is well placed to meet this objective.

Liquidity Ratio

The University's liquidity ratio is 4.53:1 (norm 1:1), which indicates the University's short term financial strength. Student debt and inventory has been excluded from this calculation.

Solvency Ratio

The University's solvency ratio is 1,856:1, which is indicative of the financial soundness of the University. The formula used for this calculation is total assets less Property Plant and Equipment (PPE)/ total liabilities.

Total liabilities

- Deferred grants comprise 54.6% of liabilities. The major portion of deferred grants are State funded projects (90.7%); Retirement benefit obligation makes up 22.8% and trade and other payables, borrowings and provisions, 22.56% of liabilities.

Debt Equity Ratio

The debt equity ratio is 3.61% which is well below the 50% borrowing limit, as per the University's policy.

Third Stream Income

The Business Studies Unit (BSU) is currently the main source of third stream income.

The BSU has once again produced an excellent set of results by realising a surplus of R6.6m on revenue of R12.9m, returning a profit margin of 51%.

During this year Council approved the Centre for Continued Professional Education (CCPE) as the vehicle for third stream income activities. CCPE will therefore function as the vehicle for managing the implementation of all the University's continuing and professional courses.

CONCLUSION

Declining subsidy levels, challenges experienced in student debt collection and the changes in the NSFAS business processes poses a real threat to the financial sustainability of the University. Therefore, the University has identified financial sustainability as one of the key focus areas in its Strategic Plan.

Some of the interventions that have been identified are: growth in student numbers which has been approved by DHET; increasing third stream income; increasing research output; reducing overheads relative to the core functions of the University, improving debt collection and source of donor funding.

We record our appreciation to the Finance Department for ensuring an unqualified audit report on the Financial Statements of the university.

D. A. Kumar
Chief Finance Officer

R. Harichunder
Chairperson of Finance Committee of Council

REPORT OF THE AUDIT COMMITTEE ON HOW IT FULFILLED ITS DUTIES

Report of the Audit Committee on how it fulfilled its duties

1. Audit Committee Charter

The Audit Committee has adopted a formal charter which was approved by DUT's Council. The Committee has conducted its affairs in compliance with its charter and has discharged substantially, its responsibilities contained therein. The overall objective of the Audit Committee is to assist the Council in fulfilling its oversight responsibilities in regard to financial reporting processes, systems of internal control, audit processes and the University's process for monitoring compliance with laws and regulations.

2. Council Audit Committee members and attendance at meetings

The Committee consists of five external members of Council who are all voting members. The Committee also consists of non-voting members who are; the Vice-Chancellor, all Deputy Vice-Chancellors, the administrative Head of Finance and the Chief Risk Officer. External Auditors, Internal Auditors and a representative from the Auditor General also attend meetings by invitation. The Chairperson is appointed from among the external Council members. These members have the necessary skills and experience to serve on the Committee. The Committee meets at least three times per annum as is required by the charter. Both the internal and external auditors have unrestricted access to the Audit Committee.

During the year under review three meetings were held. In addition, a joint meeting between the Finance Committee of Council and the Audit Committee was held to approve the financial statements. The following is a schedule of meetings and attendance for the year:

Member	Appointed	13 February 2014	8 May 2014	7 August 2014	21 October 2014
Mr R Harichunder B.Com; CTA; CA(SA)	03/09/2011	✓	✓	✓	✓
Dr T Louw BA; Adv. Dip. In Labour Law; Masters Cert. in Project Management; MBL; DBL	03/09/2011	✓	Apologies*	✓	✓
Mr LKT Metha B.Proc; Attorney; Conveyancer; Has a right of appearance of the High Court of South Africa; Successfully completed Judicial Skills Training Course arranged by the Law Society of South Africa, Legal Education Development (LEAD) Term expired 20/07/2014	04/09/2010	Apologies*	Absent	-	-
Mr S Sibiya B.Com(Hons); CA(SA)	06/09/2014	-	-	-	✓
Mr B Singh B.Com; B.Com(Hons); Advanced Credit Dip. and Certified Associate in Banking (CAIB); MBA; International Executive Development Programme (Wits)	03/09/2011	✓	✓	✓	✓
Mr NZW Madinane Nat. Dip in Chemical Engineerin Nat. Higher Dip in Chemical Engineering; Harvard Senior Executive Programme	07/09/2013	✓	Was acting Chair of	✓	✓

*Apologies submitted and accepted

3. Roles and responsibilities

The Audit Committee's roles and responsibility include statutory responsibility in terms of DUT's Statute and the Higher Education Act (101/1997) which include the Regulations for reporting by Public Higher Education Institutions.

The Committee performed the following statutory duties for the year under review:

- Nominated Ernst & Young (EY) for appointment as external auditors of the University and its subsidiaries, following an independent tender process.
- Reviewed and approved the budget for the fees to be paid to the external auditor.
- Reviewed the terms of engagement including the audit scope, approach and the extent of reliance on internal auditors.
- Ensured that the appointment of the external auditor complies with the Higher Education Act 101 of 1997 and any other legislation relating to the appointment of auditors.
- Pre-approved the external audit fees.
- Reviewed and approved the internal audit coverage plan for the year.

3.1 External auditor

The Audit Committee has satisfied itself that the external auditor is independent of the University. This includes compliance with criteria relating to independence or conflicts of interest as prescribed by the Independent Regulatory Board for Auditors (IRBA). Assurance was provided by the external auditor that internal governance processes within the audit firm supported and demonstrated its claim to independence.
The Committee, in consultation with executive management, agreed to the engagement letter, its terms, audit plan and budgeted fees for the 2014 year.
The Committee recommended to Council, the appointment of EY as the external auditor and Mr A Maharaj as the designated auditor for the 2014 financial year. Council requested EY to choose an emerging firm partner to assist them with the audit which would result in the transfer of skills. The emerging firm chosen by EY is Ubucule.
The Committee is satisfied that the audit firms and designated engagement partners are accredited with IRBA.

3.2 Financial statements and accounting practices

The Audit Committee reviewed the accounting policies and the financial statements and is satisfied that they are appropriate and comply with International Financial Reporting Standards, the requirements of the Higher Education Act (10/1997) and reporting guidelines published by the Department of Higher Education and Training.

3.3 Internal financial controls

In addition to the report on internal operational structures and controls found elsewhere in the annual report, the Committee reviewed the formal reports submitted by the internal auditors of the University. Based on these reports, the Committee is of the opinion that the University's system of internal financial controls is effective and forms the basis for the preparation of reliable financial statements.

3.4 Duties assigned by Council

The Audit Committee fulfils an oversight role on behalf of Council. It is responsible for ensuring that the University's outsourced internal audit function has the necessary resources, standing and authority to discharge its duties. The committee also oversees co-operation between the internal and external auditors and serves as a link between Council and these functions.

During the year under review, the Committee met both the external auditors and internal auditors without management being present in order to provide comfort that the auditors are satisfied with the role and performance of management in fulfilling their functions.

3.5 Risk management

Council has assigned risk management oversight to a separate Risk Committee. The chairperson of the Risk Committee also serves on the Audit Committee. The Risk Committee reports to the Audit Committee which in-turn reports to the Council. The Audit Committee reviews the minutes of the Risk Committee and considers the impact of risks related to financial reporting, financial controls, fraud and information technology.

3.6 Internal audit

The Committee considered and approved the internal audit plan for 2014. The internal audit function is outsourced to PwC who have responsibility for reviewing and providing assurance on the adequacy of the internal control environment across the University's operations. The internal auditors have direct access to the Chairperson. The Chief Risk Officer is responsible for monitoring the internal audit work against the agreed internal audit plan. Progress regarding findings is tracked and reported on regularly.

3.7 Expertise and experience of the Chief Financial Officer (CFO) and finance function

The Committee has satisfied itself that the CFO has appropriate expertise and experience. In addition, the Committee has considered and satisfied itself of the appropriateness of the expertise and adequacy of resources of the finance function and

experience of the senior members of management responsible for the financial function.

3.8 Sustainability reporting

The Committee considered the University's sustainability information disclosed in the Annual Report and has assessed its consistency with the annual financial statements and with operational and other information known to Committee members. The Committee is satisfied that the sustainability information is reliable and consistent with financial results.

B. Singh
Chairman: Audit Committee

CONSOLIDATED ANNUAL FINANCIAL STATEMENTS DECEMBER 31, 2014

NATURE OF BUSINESS	Public higher education institution
AUDITOR	Ernst & Young Inc.
BANKERS	Standard Bank of South Africa Limited First National Bank of South Africa Limited
DOMICILE AND COUNTRY OF INCORPORATION	Republic of South Africa

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COUNCIL'S STATEMENT OF RESPONSIBILITY FOR THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2014

Council is responsible for the preparation, integrity, and fair presentation of the consolidated annual financial statements of the Durban University of Technology ("the University"). The consolidated annual financial statements presented on pages 54 to 115 have been prepared in accordance with the International Financial Reporting Standards ("IFRS"), as prescribed by the Minister of Higher Education and Training in the regulations in terms of the Higher Education Act, 1997 (Act No. 101 of 1997), as amended, and include amounts based on the judgments and estimates made by management.

Council considers that in preparing the consolidated annual financial statements they have used the most appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, and that all IFRS's that they consider to be applicable have been followed. Council is satisfied that the information contained in the consolidated annual financial statements fairly presents the results of operations for the year and the financial position of the University at year-end.

Council has the responsibility for ensuring that accounting records are kept. The accounting records should disclose with reasonable accuracy the financial position of the University to enable the Council to ensure that the consolidated annual financial statements comply with relevant legislation.

Durban University of Technology and its subsidiaries operate in a well-established control environment, which is well documented and regularly reviewed. This incorporates risk management and internal control procedures, which are designed to provide reasonable, but not absolute, assurance that the assets are safeguarded and the risks facing the business are being controlled.

The 'going-concern' basis has been adopted in preparing the consolidated annual financial statements. Council has no reason to believe that the University will not be a going concern in the foreseeable future, based on the forecasts and available cash resources. These consolidated annual financial statements support the viability of the University.

The University's external auditor, Ernst & Young Inc audited the consolidated annual financial statements, and their report is presented on pages 52 to 53. Council believes that all representations made to the independent auditor during the audit were valid and appropriate.

APPROVAL OF THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

The consolidated annual financial statements set out on pages 54 to 115 were approved by the Council on 6 June 2015 and are signed on its behalf by:

VICE CHANCELLOR AND PRINCIPAL

CHAIRPERSON OF COUNCIL

CHIEF FINANCIAL OFFICER

Ernst & Young Incorporated
1 Pencarrow Crescent
La Lucia Ridge Office Park
PO Box 859
Durban 4000

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Co. Reg. No. 2005/002308/21

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INDEPENDENT AUDITORS' REPORT TO THE COUNCIL OF THE DURBAN UNIVERSITY OF TECHNOLOGY

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

Introduction

We have audited the consolidated financial statements of the Durban University of Technology and its subsidiaries, set out on pages 54 to 115, which comprise the consolidated statement of financial position as at 31 December 2014, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in funds and the consolidated statement of cash flows for the year then ended, as well as the notes, comprising a summary of significant accounting policies and other explanatory information.

Council's responsibility for the consolidated financial statements

The University's Council is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the International Financial Reporting Standards and in the manner required by the Minister of Higher Education and Training in terms of Section 41 of the Higher Education Act, 1997 (Act No. 101 of 1997), as amended, and for such internal control as the Council determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Public Audit Act of South Africa, the General Notice issued in terms thereof and International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the University and its subsidiaries as at 31 December 2014, and their financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards and in the manner required by the Minister of Higher Education and Training in terms of Section 41 of the Higher Education Act, 1997 (Act No. 101 of 1997), as amended.

A member firm of Ernst & Young Global Limited.
A full list of Directors is available on the website.
Chief Executive: Ajen Sita

EY
Building a better working world

Report on other legal and regulatory requirements

In accordance with the PAA and the General Notice issued in terms thereof, we report the following findings on the reported performance information against predetermined objectives for the selected objectives presented in the annual report, non-compliance with legislation as well as internal control. We performed tests to identify reportable findings as described under each subheading but not to gather evidence to express assurance on these matters. Accordingly, we do not express an opinion or conclusion on these matters.

Predetermined objectives

We performed procedures to obtain evidence about the reliability of the information in the Report of the Vice Chancellor as set out on page 8 to 19 in the annual report. The reported performance against predetermined objectives was evaluated against the overall criterion of reliability. The reliability of the information in respect of the selected objectives is assessed to determine whether it adequately reflects the facts (i.e. whether it is valid, accurate and complete).There were no material findings on the Report of the Vice Chancellor concerning the reliability of the information.

Compliance with laws and regulations

We performed procedures to obtain evidence that the University has complied with applicable laws and regulations regarding financial matters, financial management and other related matters. We did not identify any instances of material non-compliance with specific matters in key applicable laws and regulations as set out in the General Notice issued in terms of the Higher Education Act of South Africa.

Internal control

We considered internal control relevant to our audit of the financial statements, Report of the Vice Chancellor and compliance with laws and regulations. We did not identify any deficiencies in internal control that we considered sufficiently significant for inclusion in this report.

OTHER REPORTS

Agreed-upon procedures engagements

We conducted one agreed upon procedure engagement during the year ended 31 December 2014. Seven additional agreed upon procedure engagements were performed by an independent firm. These agreed upon procedures were performed at the request of various entities providing funds to the University.

Ernst & Young Inc.

Ernst & Young Inc.
Director – Adheesh Praveenlall Maharaj
Registered Auditor
Chartered Accountant (SA)
8 June 2015

1 Pencarrow Crescent
La Lucia Ridge
Durban
South Africa

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2014

	Note	*2014 R'000*	*2013 R'000*
ASSETS			
NON-CURRENT ASSETS		1 196 927	1 054 886
Property, plant and equipment	2	733 138	636 316
Intangible assets	3	853	3 591
Investments	4	439 912	395 596
Deferred tax	13	-	311
Non-current receivables	6	23 024	19 072
CURRENT ASSETS		1 015 329	960 774
Inventories	7	2 016	2 185
Receivables and pre-payments	8	182 432	138 075
Cash and cash equivalents	9	830 881	820 514
TOTAL ASSETS		2 212 256	2 015 660
ACCUMULATED FUNDS AND LIABILITIES			
ACCUMULATED FUNDS		1 222 343	1 105 022
Restricted use funds		59 039	54 436
Unrestricted use funds – undesignated		336 233	415 170
Unrestricted use funds – designated		724 567	542 238
Residence funds		(34 503)	(44 774)
Fair value reserve		137 007	137 952
NON-CURRENT LIABILITIES		796 555	756 397
Borrowings	10	37 107	41 438
Retirement benefit obligations	11	225 937	217 903
Employee benefit liabilities	12	-	-
Deferred tax	13	1 592	68
Deferred grants	16	531 919	496 988
CURRENT LIABILITIES		193 358	154 241
Trade and other payables	14	139 575	115 328
Deferred grants	16	8 354	2 334
Provisions	15	38 742	27 956
Current portion of interest bearing borrowings	10	5 830	7 766
Current portion of non-interest bearing borrowings	10	857	857
TOTAL EQUITY AND LIABILITIES		2 212 256	2 015 660

CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2014

2014	NOTE	COUNCIL CONTROLLED UNRESTRICTED	SPECIFICALLY FUNDED ACTIVITIES RESTRICTED	SUB-TOTAL	STUDENT AND STAFF ACCOMMODATION RESTRICTED	2014	2013
RECURRENT ITEMS		R'000	R'000	R'000	R'000	R'000	R'000
INCOME		**1 120 876**	**20 955**	**1 141 831**	**138 931**	**1 280 762**	**1 201 758**
State appropriations - subsidies and grants		640 076	-	640 076	-	640 076	616 443
Tuition fee and other income		412 653	-	412 653	136 657	549 310	513 500
Income from contracts		145	20 948	21 093	-	21 093	13 656
- For research		-	20 858	20 858	-	20 858	13 532
- For other activities		145	90	235	-	235	124
Sales of goods and services		14 076	-	14 076	2 223	16 299	12 513
Private gifts and grants		-	-	-	-	-	31
SUB-TOTAL		**1 066 950**	**20 948**	**1 087 898**	**138 880**	**1 226 778**	**1 156 143**
Investment income	17.1	53 926	7	53 933	51	53 984	45 615
EXPENDITURE		**1 054 413**	**15 271**	**1 069 684**	**128 698**	**1 198 382**	**1 120 618**
Personnel	18	757 472	7 429	764 901	18 654	783 555	727 790
- Academic professional		406 052	-	406 052	-	406 052	370 027
- Other personnel		316 951	7 429	324 380	8 561	332 941	316 203
- Security and cleaning		34 469	-	34 469	10 093	44 562	41 560
Other current operating expenses	19	248 984	-	248 984	109 847	358 831	337 842
Depreciation and amortisation	2,3	35 673	7 842	43 515	197	43 712	34 410
SUB-TOTAL		**1 042 129**	**15 271**	**1 057 400**	**128 698**	**1 186 098**	**1 100 042**
Finance costs	20	3 824	-	3 824	-	3 824	3 962
Minor capital items expensed		8 460	-	8 460	-	8 460	16 614
Surplus - Recurrent items		**66 463**	**5 684**	**72 147**	**10 233**	**82 380**	**81 140**
NON-RECURRENT ITEMS							
INCOME		**50 800**	**77 891**	**128 691**	**-**	**128 691**	**97 400**
State grants		641	47 632	48 273	-	48 273	26 842
Private gifts and grants		-	1 746	1 746	-	1 746	10 068
Realised cumulative net fair value gain/(loss) on the disposal of investments	17.2	31 095	4 573	35 668	-	35 668	9 735
Gain on re-measurement on financial asset		-	-	-	-	-	2 694
Income from contracts		-	21 746	21 746	-	21 746	24 625
Investment income	17.1	-	1 930	1 930	-	1 930	2 873
Other income		19 064	264	19 328	-	19 328	20 563
EXPENDITURE		**17 904**	**76 849**	**94 753**	**-**	**94 753**	**65 897**
Personnel	18	11	21 905	21 916	-	21 916	24 275
- Academic professional		-	16 023	16 023	-	16 023	15 711
- Administration		11	5 882	5 893	-	5 893	8 564
Other current operating expenses	19	154	54 944	55 098	-	55 098	39 908
Loss on disposal of property, plant & equipment		5 363	-	5 363	-	5 363	1 714
Fair value adjustment on student loans		12 376	-	12 376	-	12 376	-
Surplus/(deficit) – Non-Recurrent items		**32 896**	**1 042**	**33 938**	**-**	**33 938**	**31 503**
NET SURPLUS FOR THE YEAR - BEFORE TRANSFERS AND TAXATION		**99 359**	**6 726**	**106 085**	**10 233**	**116 318**	**112 643**
Amounts spent from prior year receipts : From funds		-	(6 214)	(6 214)	-	(6 214)	(2 942)
Taxation		(1 584)	-	(1 584)	(53)	(1 637)	(192)
NET SURPLUS FOR THE YEAR - AFTER TRANSFERS AND TAXATION		**97 775**	**512**	**98 287**	**10 180**	**108 467**	**109 509**
Less: Income allocated to departments		(26 718)	-	(26 718)	-	(26 718)	(32 030)
NET SURPLUS AFTER INCOME ALLOCATED TO DEPARTMENTS		**71 057**	**512**	**71 569**	**10 180**	**81 749**	**77 479**

CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2013

2013	NOTE	COUNCIL CONTROLLED UNRESTRICTED	SPECIFICALLY FUNDED ACTIVITIES RESTRICTED	SUB-TOTAL	STUDENT AND STAFF ACCOMMODATION RESTRICTED	2013
RECURRENT ITEMS		R'000	R'000	R'000	R'000	R'000
INCOME		**1 070 404**	**13 149**	**1 083 553**	**118 205**	**1 201 758**
State appropriations - subsidies and grants		616 443	-	616 443	-	616 443
Tuition fee and other income		397 109	-	397 109	116 391	513 500
Income from contracts		744	12 912	13 656	-	13 656
- For research		620	12 912	13 532	-	13 532
- For other activities		124	-	124	-	124
Sales of goods and services		10 699	-	10 699	1 814	12 513
Private gifts and grants		31	-	31	-	31
SUB-TOTAL		**1 025 026**	**12 912**	**1 037 938**	**118 205**	**1 156 143**
Investment income	17.1	45 378	237	45 615	-	45 615
EXPENDITURE		**976 638**	**13 921**	**990 559**	**130 059**	**1 120 618**
Personnel	18	704 103	6 274	710 377	17 413	727 790
- Academic professional		370 027	-	370 027	-	370 027
- Other personnel		302 108	6 274	308 382	7 821	316 203
- Security and cleaning		31 968	-	31 968	9 592	41 560
Other current operating expenses	19	218 844	6 560	225 404	112 438	337 842
Depreciation and amortisation	2,3	33 115	1 087	34 202	208	34 410
SUB-TOTAL		**956 062**	**13 921**	**969 983**	**130 059**	**1 100 042**
Finance costs	20	3 962	-	3 962	-	3 962
Minor capital item expensed		16 614	-	16 614	-	16 614
Surplus/(deficit) - Recurrent items		**93 766**	**(772)**	**92 994**	**(11 854)**	**81 140**
NON-RECURRENT ITEMS						
INCOME		**33 644**	**63 756**	**97 400**	**-**	**97 400**
State grants		-	26 842	26 842	-	26 842
Private gifts and grants		2 075	7 993	10 068	-	10 068
Realised cumulative net fair value gain/(loss) on the disposal of investments	17.2	8 920	815	9 735	-	9 735
Gain on re-measurement of financial asset		2 694	-	2 694	-	2 694
Income from contracts		-	24 625	24 625	-	24 625
Investment income	17.1	-	2 873	2 873	-	2 873
Other income		19 955	608	20 563	-	20 563
EXPENDITURE		**7 101**	**58 796**	**65 897**	**-**	**65 897**
Personnel	18	221	24 054	24 275	-	24 275
- Academic professional		-	15 711	15 711	-	15 711
- Administration		221	8 343	8 564	-	8 564
Other current operating expenses	19	5 166	34 742	39 908	-	39 908
Loss on disposal of property, plant & equipment		1 714	-	1 714	-	1 714
Surplus – Non-Recurrent items		**26 543**	**4 960**	**31 503**	**-**	**31 503**
NET SURPLUS/(DEFICIT) FOR THE YEAR - BEFORE TRANSFERS AND TAXATION		**120 309**	**4 188**	**124 497**	**(11 854)**	**112 643**
Amounts spent from prior year receipts : From funds		-	(2 942)	(2 942)	-	(2 942)
Taxation		(172)	-	(172)	(20)	(192)
NET SURPLUS/(DEFICIT) FOR THE YEAR - AFTER TRANSFERS AND TAXATION		**120 137**	**1 246**	**121 383**	**(11 874)**	**109 509**
Less: Income allocated to departments		(32 030)	-	(32 030)	-	(32 030)
NET SURPLUS/(DEFICIT) AFTER INCOME ALLOCATED TO DEPARTMENTS		**88 107**	**1 246**	**89 353**	**(11 874)**	**77 479**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED DECEMBER 31, 2014

	Note	2014 R'000	2013 R'000
Operating revenue		1 226 778	1 156 143
Less: Operating expenses		(1 186 098)	(1 100 042)
- Staff costs	18	(783 555)	(727 790)
- Other operating expenses	19	(358 831)	(337 842)
- Depreciation and amortisation	2,3	(43 712)	(34 410)
Net surplus from operations		40 680	56 101
Income from investments	17.1	55 914	48 488
Loss on disposal of property, plant and equipment		(5 363)	(1 714)
Other income	21	126 761	94 527
Finance costs	20	(3 824)	(3 962)
Other expenses		(97 850)	(80 797)
Surplus for the year before transfers		116 318	112 643
Amounts spent from prior year receipts: From funds		(6 214)	(2 942)
Taxation		(1 637)	(192)
Surplus for the year after transfers		108 467	109 509
Other comprehensive (loss)/income		(429)	56 142
To be reclassified to profit or loss in subsequent periods:			
Fair value adjustment on available for sale investments		(864)	48 591
Not to be reclassified to profit or loss in subsequent periods:			
Actuarial gain		435	7 551
Total comprehensive income for the year		108 038	165 651

CONSOLIDATED STATEMENT OF CHANGES IN FUNDS FOR THE YEAR ENDED DECEMBER 31, 2014

DESCRIPTION (R'000)	Council controlled funds				Restricted funds			Fair value reserve	GRAND-TOTAL
	Undesignated/ Accumulated funds	Designated funds		SUB-TOTAL	Residence funds	Restricted use funds	SUB-TOTAL		
		Operational funds	Property, plant and equipment funds						
Balance at January 1, 2014	**415 170**	**64 824**	**477 414**	**957 408**	**(44 774)**	**54 436**	**9 662**	**137 952**	**1 105 022**
Surplus for the year	98 287	-	-	**98 287**	10 180	-	**10 180**	-	108 467
Other comprehensive loss	435	-	-	**435**	-	81	**81**	(945)	(429)
Balance at December 31, 2014 before fund transfer	**513 892**	**64 824**	**477 414**	**1 056 130**	**(34 594)**	**54 517**	**19 923**	**137 007**	**1 213 060**
Transfers of funds	(25 215)	17 271	7 944	**-**	-	-	**-**	-	-
Other transfers	(152 444)	104 649	52 465	**4 670**	91	4 522	**4 613**	-	9 283
Balance at December 31, 2014	**336 233**	**186 744**	**537 823**	**1 060 800**	**(34 503)**	**59 039**	**24 536**	**137 007**	**1 222 343**

CONSOLIDATED STATEMENT OF CHANGES IN FUNDS FOR THE YEAR ENDED DECEMBER 31, 2013

DESCRIPTION (R'000)	Council controlled funds				Restricted funds			Fair value reserve	GRAND-TOTAL
	Undesignated/ Accumulated funds	Designated funds		SUB-TOTAL	Residence funds	Restricted use funds	SUB-TOTAL		
		Operational funds	Property, plant and equipment funds						
Balance at January 1, 2013	**379 613**	**53 794**	**411 449**	**844 856**	**(33 328)**	**39 530**	**6 202**	**96 895**	**947 953**
Surplus for the year	121 383	-	-	**121 383**	(11 874)	-	**(11 874)**	-	109 509
Other comprehensive income	7 551	-	-	**7 551**	-	7 534	**7 534**	41 057	56 142
Balance at December 31, 2013 before fund transfer	**508 547**	**53 794**	**411 449**	**973 790**	**(45 201)**	**47 064**	**1 863**	**137 952**	**1 113 604**
Transfers of funds	(80 220)	20 943	59 277	**-**	-	-	**-**	-	-
Other transfers	(13 157)	(9 913)	6 688	**(16 382)**	427	7 372	**7 799**	-	(8 583)
Balance at December 31, 2013	**415 170**	**64 824**	**477 414**	**957 408**	**(44 774)**	**54 436**	**9 662**	**137 952**	**1 105 022**

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2014

	Note	2014 R'000	2013 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	26	102 806	303 400
Investment income	17.1	55 914	48 488
Finance costs	20	(3 824)	(3 962)
NET CASH FLOWS FROM OPERATING ACTIVITIES		154 896	347 926
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	2	(145 089)	(121 322)
Purchase of non-current investments		(75 174)	(48 596)
Proceeds from disposal of property plant and equipment		251	353
Proceeds from disposal of non-current investments		72 895	36 651
NET CASH FLOWS FROM INVESTING ACTIVITIES		(147 117)	(132 914)
CASH FLOWS FROM FINANCING ACTIVITIES			
Decrease in borrowings		(6 267)	(5 125)
Increase in funds		8 855	1 111
NET CASH FLOWS FROM FINANCING ACTIVITIES		2 588	(4 014)
INCREASE IN CASH AND CASH EQUIVALENTS		10 367	210 998
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		820 514	609 516
CASH AND CASH EQUIVALENTS AT END OF YEAR	9	830 881	820 514

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2014

1. ACCOUNTING POLICIES

1.1 University Information

The consolidated financial statements of the University and its subsidiaries for the year ended December 31, 2014 were authorised for issue in accordance with a resolution of Council on 6 June 2015.

The principal activities of the University and its subsidiaries relate to teaching, research and the providing of residential accommodation to students.

1.2 Basis of preparation

These consolidated financial statements have been prepared under the historical cost convention, except for available for sale financial instruments which are measured at fair value. The consolidated financial statements are presented in South African Rands (R), and all values are rounded to the nearest thousand (R'000) except where otherwise indicated.

These policies have been consistently applied to all the years presented, except where otherwise stated.

1.3 Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and in the manner required by the Minister of Higher Education and Training in terms of Section 41 of the Higher Education Act, 1997 (Act No 101 of 1997) as amended.

1.4 Presentation of consolidated income statement

In terms of IFRS and the Higher Education Act, 1997 (Act No 101 of 1997) as amended, the income statement is required to include disclosure up to the line item "Net surplus/(deficit) for the year after transfers". The University has included the line items "Income allocated to departments" and "Net surplus after income allocated to departments" over and above the minimum requirements as it considers this to be improved disclosure.

1.5 Significant accounting judgements, estimates and assumptions

The preparation of the University's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Judgements

In the process of applying the University's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

Operating lease commitments - University as lessor

The University has entered into commercial property leases on its property portfolio. The University has determined, based on an evaluation of the terms and conditions of the arrangements, that it retains all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases.

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2014

1. ACCOUNTING POLICIES (continued)

1.5 Significant accounting judgements, estimates and assumptions (continued)

Student residence

Buildings owned by the University that are used to provide the students with accommodation have not been classified as Investment Property. The student accommodation buildings are primarily held to assist the University in the provision of tuition services. The primary objective of the University is not to earn rentals nor for capital appreciation but rather to provide accommodation to students to ensure that students are able to enrol at the University. For this reason, the generation of income from rentals is considered ancillary in relation to generation of tuition income and hence not the primary objective of the University. Furthermore, a portion of the buildings are leased to non-students. This portion of rental income has been assessed as not significant in relation to student rental. The buildings used for student accommodation are classified as property, plant and equipment.

Investments

All investments are considered to be available-for-sale investments as the intention is to grow the value of the investment portfolios over a long-term horizon. Cash and cash equivalents held to fund long term projects as opposed to the day to day activities of the University are classified as long term investments. Management determines the classification of its financial assets at initial recognition. Further details on investment are disclosed in Note 4.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are as follows:

Depreciation/amortisation and impairment of property, plant and equipment and intangible assets

The University depreciates/amortises its assets over their estimated useful lives taking into account residual values, where appropriate. The appropriateness of its assets' estimated useful lives, residual values and their depreciation/amortisation methods are re-assessed on an annual basis. The actual lives of these assets and their respective residual values may vary depending on a variety of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Management used their judgement in applying the internal and external impairment indicators to its assets. No impairment indicators were identified and as such the recoverable amounts of the aforementioned assets were not calculated.

Retirement benefit obligations (including Defined Accumulated Leave Pay fund)

The University's future obligations in respect of its defined benefit pension plan and its post-retirement medical aid benefit plan are determined using actuarial valuations on the projected unit credit method. An actuarial valuation involves making various assumptions. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. Details of these assumptions are provided in Note 11 and 12. The defined benefit pension plan and post-retirement medical aid benefit plan are actuarially valued annually. The defined accumulated leave pay fund is actuarially valued on an ad hoc basis depending on the significance of changes in key assumptions.

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2014

1. ACCOUNTING POLICIES (continued)

1.5 Significant accounting judgements, estimates and assumptions (continued)

Student fees receivable

At year-end management makes an estimate of the amount of total outstanding student fee debt that it expects to hand over to external debt collectors and the total subsequent receipts it expects to receive after year end. In addition, management estimates the amounts that it expects to recover from outstanding balances handed over based upon the age profile of debts handed over, prior experience and a 10 year handed over collection trend. The impairment charge relating to student debt that is not handed over is based on the recovery percentage as actuarially determined for the student loans noted below with slight amendments (when considered necessary). A provision for impairment is based on these estimates. A detailed breakdown of the student fee receivable is provided in Note 8.

Student loans

Student loans are recognised initially at fair value plus any directly attributable transaction costs. Market and client specific actuarial assumptions were used in the estimate of the fair value of the student loans at initial recognition. Subsequent to initial recognition student loans are measured at amortised cost using the effective interest method, less any impairment allowances.

With Student loans of this nature being fairly new to the University, the University does not have sufficient volume of history that can generate a reliable set of assumptions in isolation to reliably determine the amortised cost of the student loans of which would take into account the fair value adjustment on initial recognition of the student debt and potential impairments. Consequently, reference was made to the actual experience of the National Students Financial Aid Scheme ("NSFAS") whom have been providing loans to students of similar demographics over the past 20 years. 20 years of data collection was assessed as sufficient to build a reliable valuation model. DUT has adopted the NSFAS valuation model but has amended the model due to differences (specifically interest rate and date of loan issue) in the loan terms. The valuation model has been amended during the 2013 year to accommodate the change arising from the change in legislation (Section 23 of the NSFAS Act) that prohibits NSFAS from making automatic deductions from students which in essence has delayed the payment commencement date used in the valuation. The valuation is based on a multi-state valuation methodology.

The following assumptions were considered key in actuarially determining the amortised cost of the student loan book:

There will be no repayment of the loan for the first three years of the loan period (being the period the student will be studying). The repayments by students are assumed to occur on the first day of the fourth year.

Transition from being a registered student to graduation or exit does not exceed 10 years. The students are classified in three transitions probability categories (student, paying, non-paying) of which are valued separately. All loans are issued on the first day of the loan year. Payments are applied to the earliest loan outstanding.

Discount rate is based on the capital market extract of the South African Reserve Bank quarterly reports, using the monthly average bond yield for government bonds with a period of 10 years and over, which represent a long term risk free interest rate. The risk of non-payment has been captured in the cash flow projections. Other key assumptions are the demographics, payment patterns, payment profiles and mortality rates of the students. Assumptions regarding future mortality experience in South Africa are set based on published South African actuarial information. Allowance for morbidity and AIDS has not been made as it does not have a material impact and it is not standard market practice to make allowance for this during credit modelling.

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2014

1. ACCOUNTING POLICIES (continued)

1.5 Significant accounting judgements, estimates and assumptions (continued)

Student loans (continued)

Certain assumptions were also made in preparing the data to be used in the valuation model. This included setting parameters for the exit dates.

It should be noted that the payment profile has been based on the percentage of outstanding balance repaid by student debtors in each month. This approach combines a number of inherent features of the NSFAS loans. The most significant of these are an employment profile, a salary profile (since repayment is a function of salary) and student debtors making irregular payment due to loss of employment. These elements could be affected by economic conditions and NSFAS's own debt collection practices.

Based on the actuarial calculation of fair value on initial recognition and subsequently the amortised cost utilising historical actual data spanning a 20 year period and recognised actuarial standards, a verifiable impairment of the loan book at each reporting date is calculated. A detailed breakdown of the student loans amortised cost is provided in Note 6.

Value added taxation

The University is an educational institution that provides educational services as envisaged in section 12(h) of the Value-Added Tax Act No 89 of 1991 ("the VAT Act"). Accordingly, the fees charged by the University for teaching and incidental goods and services are exempt from Value-Added Tax ("VAT") in terms of section 12(h) of the VAT Act, with the result that the University is not entitled to an input tax credit on its purchases of goods and services to the extent these goods or services are used or consumed in the course of rendering educational services. Where the University makes exempt supplies during its year of assessment, the provisions of section 7(1)(c) read together with section 7(2) of the VAT Act need to be considered, namely that VAT at the rate of 14% should be levied and paid on the supply of any "imported services" by the recipient of the imported services. This essentially results in what is referred to as a "reverse VAT charge" (i.e. no VAT has actually been levied by the vendor on behalf of the South African Revenue Services ("SARS") but an amount of output tax becomes payable in addition to the charge for the service). With the level of subjectivity involved in interpreting the VAT Act and the complexity of the legislation VAT on imported services has not been paid over to SARS by the university.

Accordingly, assumptions and estimations have been made quantifying the potential VAT liability (including potential interest and penalties). The rationale supporting this value takes into account the various suppliers and considers if they are locally based, have local or foreign bank accounts, local or foreign business addresses, local or foreign income taxation numbers, billed in local or foreign currency and the nature of goods or services being supplied. The various categorizations of suppliers drive the extent to which the VAT liability is quantified. With the issue likely to be resolved within the next financial period, the effects of discounting have been assessed as immaterial.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the statement of financial position or disclosed in the financial statements cannot be measured based on quoted prices in active markets, the fair value is measured using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2014

1. ACCOUNTING POLICIES (continued)

1.6 Basis of consolidation

The consolidated financial statements comprise the financial statements of the University and its subsidiaries as at December 31, 2014.

Subsidiaries are entities controlled by the University. Control exists when the University has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable or convertible are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The separate financial statements of the subsidiaries are prepared for the same reporting period as the University, using consistent accounting policies.

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

The consolidated financial statements incorporate the assets, liabilities and trading operations of the following University wholly owned controlled entities:

- Maxelect Investments Proprietary Limited
- Melrose Properties Proprietary Limited
- Durban University of Technology - Business Studies Unit (a division of DUT)
- Durban University of Technology Proprietary Limited

1.7 Business combinations and goodwill

Business combinations are accounted for using the purchase method. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at fair values at the date of acquisition, irrespective of the extent of any minority interest.

Goodwill is initially measured at cost being the excess of the cost of the business combination over the University's share in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities. If the cost of acquisitions is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the University's cash-generating units that are expected to benefit from the synergies of this combination, irrespective of whether those assets or liabilities of the acquiree are assigned to those units.

Where goodwill forms part of a cash-generating unit and part of the operations within the unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of at the portion of the cash-generating unit retained.

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2014

1. ACCOUNTING POLICIES (continued)

1.8 Standards, interpretations and amendments to published standards

The following amendments to standards and early adoptions are only those which are applicable to the University.

1.8.1 Standards early adopted by the University

There were no standards or interpretations that were early adopted by the University.

1.8.2 Standards, interpretations and amendments that are not yet effective

- *IFRS 9 Financial Instruments:* The standard addresses the classification, measurement and de-recognition of financial assets and financial liabilities, as well as hedging and impairment. The effect of this standard on the University's financial statements is in the process of being evaluated. *(Effective for annual periods beginning on or after 1 January 2018).*

- *IAS 19 Defined Benefit Plans Employee Contributions:* This standard was amended to clarify that, if the amount of the contributions is independent of the number of years of service, an entity is permitted to recognise such contributions as a reduction in the service cost in the period in which the service is rendered, instead of allocating the contributions to the periods of service. The effect of this standard on the University's financial statements is in the process of being evaluated. (*Effective for annual periods beginning on or after 1 July 2014).*

- *IAS 27 Equity Method in Separate Financial Statements:* This standard was amended to restore the option to account for investments in subsidiaries and associates in an entity's separate financial statements. The effect of this standard on the University's financial statements is in the process of being evaluated. *(Effective for annual periods beginning on or after 1 January 2016).*

- *IAS 28 Investments in Associates and Joint Ventures and IFRS 10 Consolidated Financial Statements:* The amendments address a conflict between the requirements of IAS 28 'Investments in Associates and Joint Ventures' and IFRS 10 'Consolidated Financial Statements' and clarify that in a transaction involving an associate or joint venture the extent of gain or loss recognition depends on whether the assets sold or contributed constitute a business.

  Amendments to IAS 28:

  The requirements on gains and losses resulting from transactions between an entity and its associate or joint venture have been amended to relate only to assets that do not constitute a business.

  A new requirement has been introduced that gains or losses from downstream transactions involving assets that constitute a business between an entity and its associate or joint venture must be recognised in full in the investor's financial statements.

  A requirement has been added that an entity needs to consider whether assets that are sold or contributed in separate transactions constitute a business and should be accounted for as a single transaction.

  Amendments to IFRS 10:

  An exception from the general requirement of full gain or loss recognition has been introduced into IFRS 10 for the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method.

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2014

1. ACCOUNTING POLICIES (continued)

1.8 Standards, interpretations and amendments to published standards (continued)

1.8.2 Standards, interpretations and amendments that are not yet effective (continued)

New guidance has been introduced requiring that gains or losses resulting from those transactions are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the re-measurement at fair value of investments retained in any former subsidiary that has become an associate or a joint venture that is accounted for using the equity method are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.

The effect of this standard on the University's financial statements is not expected to be material. *(Effective for annual periods beginning on or after 1 January 2016).*

- *IAS 1 Presentation of Financial Statements:* This standard has been amended as part of the disclosure initiative which aims to improve the presentation and disclosure requirements and of which is not expected to have a material impact. The amendments to IAS 1 include narrow-focus improvements in the following five areas:

  - Materiality
  - Disaggregation and subtotals
  - Notes structure
  - Disclosure of accounting policies
  - Presentation of items of other comprehensive income (OCI) arising from equity accounted investments.

  (Effective for annual periods beginning on or after 1 January 2016)

- IFRS 7 – Financial Instruments Disclosures: This standard was amended to provide clarity on the interim reporting requirements of entities and disclosures on any continuing involvement in a transferred asset that is derecognised in its entirety. This is not expected to have an impact on the University's financial statements. (Effective for annual periods beginning on or after 1 January 2016)

- IFRS 7 – Financial Instruments Disclosures: In December 2011, IFRS 7 was amended to add guidance on offsetting of financial assets and financial liabilities. In the effective date and transition for that amendment, paragraph 44R of IFRS 7 states that the entity shall apply those amendments for annual periods beginning on or after 1 January 2013.The amendment must be applied retrospectively. This is not expected to have an impact on the University's financial statements. (*Effective for annual periods beginning on or after 1 January 2016).*

- IFRS 13 – Fair Value Measurement: This standard was amended to clarify the basis for conclusions in that the short-term receivables and payables with no stated interest rates can be held at invoice amounts when the effect of discounting is immaterial. This is not expected to have a material impact on the University's financial statements. *(Effective for annual periods beginning on or after 1 July 2014).*

- IAS 16 – Property, plant and equipment and IAS 38 Intangible Assets: This standard was amended to provide clarity on revaluations to align the carrying amount of assets to its market value. This is not expected to have an impact on the University's financial statements. *(Effective for annual periods beginning on or after 1 July 2014).*

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2014

1. ACCOUNTING POLICIES (continued)

1.8 Standards, interpretations and amendments to published standards (continued)

1.8.2 Standards, interpretations and amendments that are not yet effective (continued)

- *IFRS 15 Revenue from Contracts with Customers* replaces IAS 11 Construction Contracts, IAS 18 Revenue and related interpretations. IFRS 15 specifies the accounting treatment for all revenue arising from contracts with customers. It applies to all entities that enter into contracts to provide goods or services to their customers, unless the contracts are in the scope of other IFRSs, such as IAS 17 Leases. The standard also provides a model for the measurement and recognition of gains and losses on the sale of certain non-financial assets, such as property or equipment. Extensive disclosures will be required, including disaggregation of total revenue; information about performance obligations; changes in contract asset and liability account balances between periods and key judgements and estimates. This is not expected to have an impact on the University's financial statements. *(Effective for annual periods beginning on or after 1 January 2017).*

1.8.3 Standards, interpretations and amendments adopted during the year

- *IAS 32 Financial Instruments:* This standard was amended to clarify the meaning of "legally enforceable right". This did not have a material impact on the University's financial statements.

- *IAS 36 Impairment of Assets:* This standard was amended to clarify the disclosure requirements about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal. This did not have a material impact on the University's financial statements.

- IFRS 10 Consolidated Financial Statements Investment entities final amendment – exception to consolidation. This did not have a material impact on the University's financial statements.

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2014

1. ACCOUNTING POLICIES (continued)

1.9 Property, plant and equipment

Property, plant and equipment are initially stated at cost. The cost of an asset comprises the purchase price and costs directly attributable to bringing the asset to the location and condition necessary for it to operate as intended by management.

Land and buildings, which have been adapted to specialised functions, and all other land and buildings which are used for general purposes, plant and equipment are recorded at cost net of accumulated depreciation and accumulated impairment losses, if any, except for donations, which are valued by externally independent valuators at fair value on initial recognition.

No depreciation is provided on freehold land as it is deemed to have an indefinite life. Assets that are expected to be used for more than one reporting period of which have a negligible cost are written off in the year of acquisition. Property, plant and equipment are depreciated on a straight-line basis estimated to write each asset down to its estimated residual value over the estimated useful lives of the asset which range as follows:

Buildings	50 - 100 years
Motor vehicles	8 - 15 years
Computer equipment	4 - 8 years
Equipment	10 -15 years
Furniture and equipment	20 years
Air conditioners	10 - 20 years
Lifts	30 - 40 years

The assets' residual values, useful lives and methods of depreciation are reviewed at each reporting date, and adjusted prospectively, if appropriate.

Routine maintenance costs are charged against income as incurred. Costs of major maintenance or overhaul of an item of property, plant or equipment are recognised as an expense, except if the cost had been recognised as a separate part of the cost of the asset, and that amount has already been depreciated to reflect the benefits that had been replaced or restored. An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains and losses on de-recognition of property, plant and equipment are determined by reference to their carrying amounts and are taken into account in determining operating surplus.

Library acquisitions

New library books, journals and collections are written off in the year of acquisition.

1.10 Leases

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset. A reassessment is made after the inception of the lease only if one of the following applies:

a. There is a change in contractual terms, other than a renewal or extension of the arrangement;
b. A renewal option is exercised or extension granted, unless the term of the renewal or extension was initially included in the lease term;
c. There is a change in the determination of whether fulfilment is dependent on a specified asset; or
d. There is a substantial change to the asset.

Where a reassessment is made, lease accounting shall commence or cease from the date when the change in circumstances gave rise to the reassessment for scenarios (a), (c) or (d) and at the date of renewal or extension period for scenario (b).

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2014

1. ACCOUNTING POLICIES (continued)

1.10 Leases (continued)

University as a lessee

Operating lease payments are recognised as an expense in the statement of comprehensive income on a straight-line basis over the lease term.

Finance leases, which transfer to the University substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to the statement of comprehensive income.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term, if there is no reasonable certainty that the University will obtain ownership by the end of the lease term.

University as a lessor

Leases where the University does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Payments received under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term. Contingent rents are recognised as revenue in the period in which they are earned.

1.11 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that the University incurs in connection with the borrowing of funds.

1.12 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. Intangible assets with indefinite useful lives are tested for impairment annually as at December 31, as appropriate and when circumstances indicate that the carrying value may be impaired.

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end. The amortisation expense on intangible assets is recognised in the statement of comprehensive income. The amortisation periods are as follows:

Right to internet usage	20 years
Computer software	4 - 6 years

Research and development costs are expensed when incurred.

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2014

1. ACCOUNTING POLICIES (continued)

1.13 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined by the weighted average cost method. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

1.14 Impairment of non-financial assets

The University assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the University makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators.

That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss.

After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2014

1. ACCOUNTING POLICIES (continued)

1.15 Financial assets

Initial recognition and measurement

The University's financial assets within the scope of IAS 39 Financial Instruments: Recognition and Measurement are classified as loans and receivables, and available-for-sale financial assets. The University determines the classification of its financial assets at initial recognition. All financial assets are recognised initially at fair value plus, in the case of investments not at fair value through surplus or deficit, any directly attributable transaction costs. The University has not designated any financial assets upon initial recognition as at fair value through surplus or deficit.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

Loans and receivables consist of non-current receivables, receivables, cash and cash equivalents.

Receivables

Receivables are subsequently measured at amortised cost using the effective interest rate method ("EIR"), less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the EIR.

A provision for impairment of receivables is established when there is objective evidence that the University will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor and default or delinquency in payments are considered indicators that the trade receivable is impaired. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the statement of comprehensive income within 'other current operating expenses'. Subsequent recoveries of amounts previously impaired, are credited against the provision account in the statement of financial position.

Cash and cash equivalents

Cash and cash equivalents are subsequently carried in the statement of financial position at amortised cost. For the purposes of the statement of cash flows, cash and cash equivalents comprise cash on hand, deposits held at call with banks, other short-term highly liquid investments and bank overdrafts. Bank overdrafts are included in current liabilities on the statement of financial position and are carried at amortised cost.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets in the statement of financial position unless management intends to dispose of the investment within 12 months of the reporting date.

Such assets are comprised of investments in listed equity shares, quoted interest bearing corporate and government bonds, quoted unit trusts and money market deposits.

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2014

1. ACCOUNTING POLICIES (continued)

1.15 Financial assets (continued)

Available-for-sale financial assets (continued)

After initial measurement, available-for-sale financial investments are subsequently measured at fair value with unrealised gains or losses recognised as other comprehensive income in the fair value reserve until the investment is derecognised, at which time the cumulative gain or loss is reclassified to other income in the surplus or deficit, or determined to be impaired, at which time the cumulative loss is recognised in other operating expenses in the surplus or deficit and removed from the fair value reserve.

The fair value of marketable securities is market value. Market value is calculated by reference to Stock Exchange quoted selling prices at the close of business on the reporting date. If the fair value of an investment cannot be determined, the investment is measured at cost where there is no fixed maturity, or at amortised cost if there is fixed maturity.

Derecognition of financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- The rights to receive cash flows from the asset have expired; and

The University has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the University has transferred substantially all the risks and rewards of the asset, or (b) the University has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the University has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the University's continuing involvement in the asset.

In that case, the University also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the University has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the University could be required to repay.

1.16 Impairment of financial assets

The University assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principle payments, the probability that they will enter bankruptcy or other financial reorganisation and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2014

1. ACCOUNTING POLICIES (continued)

1.16 Impairment of financial assets (continued)

Financial assets carried at amortised cost

For financial assets carried at amortised cost the University first assesses individually whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the University determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the assets's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial assets original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate.

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the statement of comprehensive income. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of investment income in the statement of comprehensive income. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the University.

If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a future write-off is later recovered, the recovery is credited to finance costs in the statement of comprehensive income.

Available-for-sale financial investments

For available-for-sale financial investments, the University assesses at each reporting date whether there is objective evidence that an investment or a group of investments is impaired.

In the case of equity investments classified as available-for-sale, objective evidence would include a significant or prolonged decline in the fair value of the investment below its cost. 'Significant' is to be evaluated against the original cost of the investment and 'prolonged' against the period in which the fair value has been below its original cost. Where there is evidence of impairment, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognised in the statement of comprehensive income - is removed from other comprehensive income and recognised in surplus or deficit. Impairment losses on equity investments are not reversed through surplus or deficit; increases in their fair value after impairment are recognised directly in other comprehensive income.

In the case of debt instruments classified as available-for-sale, impairment is assessed based on the same criteria as financial assets carried at amortised cost. However, the amount recorded for impairment is the cumulative loss measured as the difference between the amortised cost and the current fair value, less any impairment loss on that investment previously recognised in surplus or deficit.

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2014

1. ACCOUNTING POLICIES (continued)

1.16 Impairment of financial assets (continued)

Available-for-sale financial investments (continued)

Future interest income continues to be accrued based on the reduced carrying amount of the asset and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of investment income. If, in a subsequent year, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in surplus and deficit, the impairment loss is reversed through surplus or deficit.

1.17 Financial liabilities

Initial recognition and measurement

Financial liabilities within the scope of IAS 39 are classified as loans and borrowings. The University determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus directly attributable transaction costs.

The University's financial liabilities include trade and other payables and borrowings.

The subsequent measurement of financial liabilities depends on their classification as follows:

Trade and other payables

Trade and other payables are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in income when the liabilities are de-recognised as well as through the amortisation process.

Deposits provided by prospective and current students are treated as current liabilities until the amount is billed as due. Student deposits are initially measured at fair value. They are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in income when the liabilities are de-recognised as well as through the amortisation process.

Interest bearing borrowings

All interest bearing loans and borrowings are initially recognised at the fair value of the consideration received plus directly attributable transaction costs.

Subsequent to initial recognition, interest-bearing loans and borrowings are measured at amortised cost using the effective interest method. Gains and losses are recognised in net surplus or deficit when the liabilities are de-recognised as well as through the amortisation process.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in surplus and deficit.

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2014

1. ACCOUNTING POLICIES (continued)

1.17 Financial liabilities (continued)

1.17.1 Offsetting of financial instruments

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

1.17.2 Fair value measurement

The University measures financial instruments, such as, it's available for sale investments at fair value at each reporting date. Also, fair values of financial instruments measured at amortised cost are disclosed in Note 22.4. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value assessment is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

In the principal market for the asset or liability, or
In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the University. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The University uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, as described further in Note 22.4, based on the lowest level input that is significant to the fair value measurement as a whole.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the University determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. For the purpose of fair value disclosures, the University has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as further detailed in Note 22.4.

1.18 Provisions

Provisions are recognised when the University has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the University expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in surplus and deficit net of any reimbursement. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Provisions comprise the short term portion of employee benefit obligation, the vacation leave pay and value added tax.

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2014

1. ACCOUNTING POLICIES (continued)

1.19 Pension obligations

The University operates defined contribution and defined benefit (National Tertiary Retirement Fund) pension schemes in accordance with the Pension Funds Act, 1956. The assets of both schemes are held separately from those of the University and are administered, in the case of the defined benefit plan by trustees of the Fund and in the case of the defined contribution plan by the insurance company selected by the trustees of the Fund.

The cost of providing benefits under the defined benefit plans is determined separately for each plan using the projected unit credit method. Under this method the cost of providing pensions is charged to surplus or deficit.

The pension obligation is measured at the present value of the estimated future cash outflows using interest rates of government securities that have terms to maturity approximating the terms of the related liability. The net difference between the expected return on plan assets and the interest factor arising from discounting the obligation is recognised under personnel costs. The obligation is valued annually by independent qualified actuaries. Actuarial gains and losses are recognised immediately in Other Comprehensive Income.

Contributions to the defined contribution scheme are charged to the surplus or deficit as incurred.

1.20 Post-retirement medical aid benefits

The University provides post-retirement medical aid benefits to certain of its employees. The expected costs of these benefits are accrued over the period of employment, using an accounting methodology similar to that of defined benefit pension plans. These obligations are valued annually by independent qualified actuaries. Actuarial gains and losses are recognised immediately in other comprehensive income.

The interest factor arising from discounting the obligation is recognised under personnel costs. The obligation is valued annually by independent qualified actuaries. Actuarial gains and losses are recognised immediately in Other Comprehensive Income.

1.21 Employee benefit liabilities

Employee benefit liabilities represent the non-current portion of the defined accumulated leave pay fund. The fund represents the leave that staff is entitled to for unutilised leave prior to 2008.

The University pays a benefit of basic salary multiplied by the number of accumulated leave days on resignation, death or retirement of an employee. The accrual of additional leave days ceased as at 31 December 2008. The actuarial valuation uses the projected unit method and is based on assumptions which include leave days due to active members, salary increments, the discount rate, the inflation rate and mortality rates.

1.22 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the University and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received, taking into account discounts, rebates, and other Value Added Tax or duty.

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2014

1. ACCOUNTING POLICIES (continued)

1.22 Revenue recognition (continued)

State appropriations - subsidies and grants

State appropriation and grants are recognised at their fair value where there is reasonable assurance that the grant will be received and the University will comply with all attached conditions.

General purpose:

State appropriations and grants for general purposes are recognised as income in the financial year to which the subsidy relates provided there are no conditions. These typically take the form of state appropriations or grants that becomes receivable as compensation for expenses already incurred or for the purpose of providing immediate financial support to the University with no future related costs.

Specific purpose:

State appropriations and grants that are conditional and received in advance of the conditions being met is recognised as deferred grants. State appropriations and grants relating to capital assets are included in non-current liabilities as deferred grants and are released to surplus and deficit on a straight-line basis over the expected useful lives of the related assets. The portion of the grants that will be released to surplus and deficit during the next 12 months is included in current liabilities as deferred grants. The University adopts the income approach whereby the grant is not credited to the carrying amount of the capital asset. Appropriations and grants from government that is intended to compensate future operating expenditure is released to surplus and deficit over the period necessary to match the income with the operating expenditure that the income is intended to compensate. Only once conditions are met, will there be a charge to surplus and deficit.

Designated income from contracts, grants and donations

Income received for designated specific purposes will arise from contracts, grants, donations and income on specific purpose endowments. In all instances, any such income is recognised in surplus and deficit in the financial period when entitled to the use of those funds or when the conditions are met. Thus, income which will not be used until some specified future period or occurrence or condition is recognised as deferred grants (under current or non-current liabilities) provided that if the conditions are not met, the income is returnable. If the income is not returnable to the source in the absence of an event or future occurrence or condition and in the case of a trust or agency money, the income is recognised as equity. Income that is intended to compensate capital assets will be released to surplus and deficit on a straight-line basis over the expected useful lives of the related assets. Income intended to compensate future operating expenditure is released to surplus and deficit over the period necessary to match the income with the operating expenditure that the income is intended to compensate.

Tuition and residence fees

Tuition and residence fees are recognised in income in the period to which they relate and at the time, these are formally billed. The income must be recognised as realisable and, to the extent that it is not, provision is realistically made for the estimated unrealisable amount. Deposits provided by prospective students are treated as current liabilities until the amount is billed as due.

Interest and dividend income

Interest is recognised on a time proportion basis, taking account of the principle outstanding and the effective rate over the period to maturity, when it is determined that such income will accrue to the University. Dividends are recognised when the right to receive payment is established.

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2014

1. ACCOUNTING POLICIES (continued)

1.22 Revenue recognition (continued)

Interest, dividends and other income received or due on assets representing endowment and trust funds are recognised as income in the statement of comprehensive income. Amounts are transferred to the respective funds and the amounts appropriately re-invested, if required in terms of the establishment of the respective funds.

Rendering of services

Revenue, involving the rendering of services, is recognised to the extent that the service has been provided and it is probable and can be reliably measured. Revenue includes rentals earned, short course fees and club subscriptions. Where the contract outcome cannot be measured reliably, revenue is recognised only to the extent that the expenses incurred are eligible to be recovered.

1.23 Normal tax and deferred tax

Current income tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. Current tax represents the expected tax payable on taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustments to tax payable of previous years.

Deferred tax

Deferred tax is provided using the liability method on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences except:

- where the deferred tax liability arises from the initial recognition of goodwill, or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised; except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2014

1. ACCOUNTING POLICIES (continued)

1.23 Normal tax and deferred tax (continued)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised directly in equity through other comprehensive income is recognised in equity through other comprehensive income and not in the surplus or deficit for the year.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Value-added tax

Revenue, expenses and assets are recognised net of the amount of value-added tax except:

- where the value-added tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the value-added tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable, and
- Receivables and payables that are stated with the amount of valued-added tax included.

The net amount of value-added tax recoverable from, or payable to, the taxation authority is included as part of receivables or trade and other payables in the statement of financial position.

1.24 Foreign currency translation

The University's financial statements are presented in Rands, which is also the University's functional currency. Transactions in foreign currencies are initially recorded by the University at their respective functional currency rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange ruling at the reporting date. All differences are taken to surplus and deficit.

1.25 Accumulated funds

The Consolidated Income Statement and the Statement of Changes in Funds are prepared on a segmented basis in the manner required in terms of section 41 of the Higher education Act, (Act No. 101 of 1997), as amended. This is not in terms of IFRS 8:Operating Segments.

Accumulated funds is the equity of the University and is categorised as follows:

- Council controlled funds
- Restricted funds (including residence funds)
- Fair value reserve

Council controlled funds

These funds arise from income or surplus which is available to the Council to fund activities of the University. These funds are under the absolute discretion and control of Council. These funds are divided into two categories:

- Designated use funds - which have been committed by Council for capital and operational projects.
- Undesignated use funds - which are funds available to Council to resource activities of the University.

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2014

1. ACCOUNTING POLICIES (continued)

1.25 Accumulated funds (continued)

Restricted use funds

These funds comprise of income received by the University from external sources, the use of which is legally beyond the control of Council. Such funds include specific donations and other income where the use of these funds are directed and specified.

Residence funds

Residence funds comprise all income and expenditure from the provision of staff and student residence accommodation. The availability of this accommodation is an initiative aimed at ensuring that students adopt the University as their preferred place of study.

Fair value reserve

Fair value reserve comprises the movement in the fair value of investments that are classified as available for sale.

1.26 Contingent asset

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 University. Such contingent assets are only recognised in the financial statements where the realisation of income is virtually certain. If the inflow of economic benefits is only probable, the contingent asset is disclosed as a claim in favour of the University but not recognised in the statement of financial position.

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1.27 Contingent liability

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 University, 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. If the likelihood of an outflow of resources is remote, the possible obligation is neither a provision nor a contingent liability and no disclosure is made.

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NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2014

2. PROPERTY, PLANT AND EQUIPMENT

	Land and buildings	*Furniture, equipment and computers*	*Capital work in progress*	*Capital leased assets*	*Vehicles*	*Total*
2014						
	R'000	*R'000*	*R'000*	*R'000*	*R'000*	*R'000*
Opening cost as at January 1, 2014	468 066	308 557	29 211	28 333	10 886	845 053
Opening accumulated depreciation as at January 1, 2014	(66 802)	(137 285)	-	(536)	(4 114)	(208 737)
Opening net carrying amount as at January 1, 2014	**401 264**	**171 272**	**29 211**	**27 797**	**6 772**	**636 316**
Additions	30 253	28 543	77 058	4 475	4 760	145 089
Work in progress transferred	1 704	24	(1 728)	-	-	-
Disposals	(4 881)	(294)	-	-	(439)	(5 614)
- cost	(6 851)	(1 730)	-	-	(1 138)	(9 719)
- accumulated depreciation	1 970	1 436	-	-	699	4 105
Depreciation charge	(6 582)	(27 862)	-	(6 992)	(1 217)	(42 653)
Closing net carrying amount as at December 31, 2014	**421 758**	**171 683**	**104 541**	**25 280**	**9 876**	**733 138**
As at December 31, 2014						
- cost	493 172	335 394	104 541	32 808	14 508	980 423
- accumulated depreciation	(71 414)	(163 711)	-	(7 528)	(4 632)	(247 285)
Net carrying amount	**421 758**	**171 683**	**104 541**	**25 280**	**9 876**	**733 138**

A register of land and buildings is available for inspection at the business address. The University is not permitted to dispose of or otherwise alienate its land and buildings without the approval of the Minister of Education.

2. PROPERTY, PLANT AND EQUIPMENT (continued)

2013	*Land and Buildings*	*Furniture, equipment and computers*	*Capital work in progress*	*Capital leased assets*	*Vehicles*	*Total*
	R'000	*R'000*	*R'000*	*R'000*	*R'000*	*R'000*
Opening cost as at January 1, 2013	449 181	270 070	4 785	-	9 291	733 327
Opening accumulated depreciation as at January 1, 2013	(60 909)	(118 731)	-	-	(3 450)	(183 090)
Opening net carrying amount as at January 1, 2013	**388 272**	**151 339**	**4 785**	**-**	**5 841**	**550 237**
Additions	19 076	45 390	26 691	28 333	1 832	121 322
Work in progress transferred	777	1 488	(2 265)	-	-	-
Disposals	(706)	(1 361)	-	-	-	(2 067)
- cost	(968)	(8 391)	-	-	(237)	(9 596)
- accumulated depreciation	262	7 030	-	-	237	7 529
Depreciation charge	(6 155)	(25 584)	-	(536)	(901)	(33 176)
Closing net carrying amount as at December 31, 2013	**401 264**	**171 272**	**29 211**	**27 797**	**6 772**	**636 316**
As at December 31, 2013						
- cost	468 066	308 557	29 211	28 333	10 886	845 053
- accumulated depreciation	(66 802)	(137 285)	-	(536)	(4 114)	(208 737)
Net carrying amount	**401 264**	**171 272**	**29 211**	**27 797**	**6 772**	**636 316**

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2014

2. PROPERTY, PLANT AND EQUIPMENT (continued)

	2014 R'000	*2013 R'000*
Included in capital leased assets are the following assets that relate to:		
1. Department of Health grant		
Work-in-progress:		
Leased land and buildings		
- Cost	6 829	2 788
- Accumulated depreciation	(1 959)	-
Net book value as at 31 December	4 870	2 788
Leased furniture, equipment and computers		
- Cost	12 440	12 007
- Accumulated depreciation	(3 538)	-
Net book value as at 31 December	8 902	12 007
Total net book value as at 31 December	13 772	14 795

The University received a government incentive in 2013 from the Department of Health ("DoH"). The DoH is to provide a grant to the value of R25 280 732 to fund the initial capital and operational costs of the Orthotics and Prosthetics training programme for a 4 year period which can be extended as DoH deems appropriate. Ownership of these assets remain with DoH until the end of the four year period or the extended period at which point in time, the DoH may consider having the assets valued and sold to the University. The University is not obliged to purchase the assets, but has the first right to purchase the assets. The University has exclusive right to use of the assets for the purposes of conducting training for the duration of the incentive period.

2. ABSA finance lease	*2014 R'000*	*2013 R'000*
Cost	13 538	13 538
Accumulated depreciation	(2 030)	(536)
Net book value as at 31 December	11 508	13 002

The ABSA loan is an unsecured loan for the amount of R13 705 377 to purchase a computer network system. The interest rate is fixed at 7.56% per annum with monthly instalments of R 275 334 for a period of 5 years ending in 2018. The ownership of the computer network system will transfer to the University upon payment of the final instalment.

Total capital leased assets	25 280	27 797

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2014

3. INTANGIBLE ASSETS

2014	*Right to internet usage* R'000*	*Computer Software R'000*	*Total R'000*
Cost	3 062	8 256	11 318
Accumulated amortisation	(1 145)	(6 582)	(7 727)
Opening net carrying amount as at January 1, 2014	1 917	1 674	3 591
Derecognised during the year	(1 679)	-	(1 679)
Amortisation	(63)	(996)	(1 059)
Closing net carrying amount as at December 31, 2014	175	678	853
Made up as follows:			
Cost	1 383	8 256	9 639
Accumulated amortisation	(1 208)	(7 578)	(8 786)
Net carrying amount	**175**	**678**	**853**

INTANGIBLE ASSETS 2013	*Right to internet usage* R'000*	*Computer Software R'000*	*Total R'000*
Cost	4 358	7 494	11 852
Accumulated amortisation	(991)	(5 501)	(6 492)
Opening net carrying amount as at January 1, 2013	3 367	1 993	5 360
Derecognised during the year	(1 297)	-	(1 297)
Additions	-	762	762
Amortisation	(153)	(1 081)	(1 234)
Closing net carrying amount as at December 31, 2013	1 917	1 674	3 591
Made up as follows:			
Cost	3 062	8 256	11 318
Accumulated amortisation	(1 145)	(6 582)	(7 727)
Net carrying amount	**1 917**	**1 674**	**3 591**

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2014

3. INTANGIBLE ASSETS (continued)

*This intangible asset represents the right of use of internet bandwidth in terms of an agreement with the Tertiary Education and Research Network of South Africa (TENET) and was initially recognised at the present value of the future benefit to the University, discounted at 14,17% p.a. (2013:14,17%) in terms of the agreement. It is amortised over a useful life of 20 years and the amortisation expense is included in 'depreciation and amortisation'. The amortisation is also impacted by the reassessment of the expected internet usage. As at December 31, 2014 the remaining amortisation period is 15,5 years.

4. INVESTMENTS

	2014 R'000	*2013 R'000*
At cost		
Listed shares at cost	97 079	102 839
Bonds, annuities and other	135 047	108 358
Foreign investments	58 758	34 510
	290 884	245 707
At fair value		
Market value of listed shares	179 795	203 258
Market value of bonds, annuities and other	178 566	143 205
Market value of foreign investments	81 551	49 133
	439 912	395 596

The University has investments in listed equity and debt securities. The fair value of the quoted debt securities and equity shares is determined by reference to published price quotations in an active market.

There were no impairment provisions on available-for-sale financial assets during 2014 or 2013.

The maximum exposure to credit risk at the reporting date is the fair value of the bonds classified as available-for-sale. These financial assets are neither past due nor impaired and are of acceptable credit quality.

Foreign investments are held by a portfolio manager and the equities are denominated in South African Rands. Cash held in money market accounts are included in long term investments as it is management's intention to fund long term projects and obligations as opposed to the day to day activities of the University.

5. TAXATION

The University, with the exception of its subsidiaries (immaterial), is exempt from taxation in terms of Section 10 (1)(cA) of the Income Tax Act.

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2014

6. NON-CURRENT RECEIVABLES

	2014 R'000	*2013 R'000*
Student loans		
Nominal value	65 198	45 254
Adjustment due to initial recognition and impairment	(42 174)	(26 182)
Carrying value	23 024	19 072
Opening balance	19 072	20 749
New loans issued	21 027	-
Fair value adjustments on new loans issued	(12 376)	-
Interest	2 244	1 622
Payments	(1 081)	(2 149)
Experience adjustments	(5 862)	(1 150)
Closing balance	23 024	19 072

The repayment of the student loans commences after completion of studies and commencement of employment by the student. The amount receivable each year is indirectly based on a formula determined by National Students Financial Aid Scheme ("NSFAS") which is linked to the salary earned by the student and is net of the estimated uncollectable portion as supported by historical trends and experience. In determining the fair value of the student loans, the following key assumptions were made in addition to those disclosed under Accounting Policy 1.5.

Diploma student loans are interest free and repayable after 3 years. Post graduate students loans are interest free and are repayable after 2 years.

The expected future cash flows anticipated to arise from the loan book are reassessed each year. They take into account the status of the individual loan book and the adjusted assumptions based on an analysis of the historic experience of the loans. As the data related to the loan book changes with the passage of time, the value of the loan book will be reassessed and the cumulative impairment adjusted accordingly. Experience adjustments arise due to actual experience differing from expected performance and the impact of more reliable data.

A collective loss is established for groups of similar financial assets in respect of losses that may have been incurred but not yet identified, on an individual basis. The collective loss allowance is determined based on historical data of payment statistics for similar financial assets and in the case of the student loan portfolio based on the mortality over the following year.

The impairment is calculated as the difference between the expected cash flow profile and the experienced payment, transitions from the student state and mortality.

The student transition probabilities which form the basis of the valuation are primarily classified as:

- Student to graduate or drop-out
- Graduate to paying or non-paying
- Drop-out to paying or non-paying

The discount rate used relative to the year in which the loan is issued, ranges between 7.71% and 8.12%.

Total non-current receivables	23 024	19 072

7. INVENTORIES

	2014 R'000	*2013 R'000*
Consumables	2 016	2 185

Inventories include stationery, technical inventories and study materials. There were no write-downs of inventories during the year (2013: Rnil).

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2014

8. RECEIVABLES AND PREPAYMENTS

	2014 R'000	*2013 R'000*
Student debtors	387 391	317 071
Less: Provision for impairment	(250 945)	(227 124)
	136 446	89 947
NSFAS receivable	23 266	19 707
Loans to employees	44	87
Other receivables	18 707	24 287
TENET receivable	1 672	2 324
Prepayments	2 297	1 723
	182 432	138 075

All student debtors (after provision for impairment) at year-end are past due but not considered impaired. These student debtors are over 120 days. Amounts past due (after provision for impairment) are not considered impaired due to the University's experience in collecting amounts when students renew their registration in the next academic period and based on handed over collection trends. Amounts past due but not impaired represent fees billed in the current year. Other receivables are impaired where necessary.

All NSFAS debtors at year-end are past due but are not impaired. The amounts past due are not considered impaired as NSFAS is a government organisation that pays the University based on valid claims made by the student. NSFAS pays the University based on claims within 12 months or less thus all amounts raised are based on valid claims approved by NSFAS. There has been no default history with NSFAS.

All loans to employees at year end are not past due, not considered impaired and are of an acceptable credit quality. These loans to employees are repaid by deductions from the employee's salary based on a payment plan.

Movement in the provision for impairment of student receivables is as follows:

	2014 R'000	*2013 R'000*
At beginning of the year	227 124	197 271
Raised during the year	27 098	36 459
Utilised during the year	(3 277)	-
Reversed during the year	-	(6 606)
At end of the year	250 945	227 124

The movement in the provision for impaired student receivables has been included in 'other current operating expenses' in the statement of comprehensive income.

Loan receivable from TENET

The loan receivable from TENET is carried at amortised cost using the effective interest rate method, less impairment, and has the following terms:

- The effective interest rate is 14.17% p.a. (2013: 14.17% p.a.)
- In terms of the TENET agreement, the loan receivable is recoverable in the following ways:
    - Cash and
    - Deduction of amounts owing by the University for Internet Services provided by TENET.

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2014

9. CASH AND CASH EQUIVALENTS

	2014 R '000	*2013 R '000*
Cash at bank and on hand	41 590	30 626
Short term deposits	789 291	789 888
	830 881	820 514

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and twelve months depending on the requirements of the University and earn interest at the respective short-term deposit rates.

10. BORROWINGS

	2014 R'000	*2013 R'000*
Non-current borrowings	37 107	41 438
State Guaranteed Loans	5 590	6 151
ABSA – Finance Lease	7 731	10 343
Development Bank of Southern Africa	23 786	24 944
Current portion of borrowings	6 687	8 623
Current portion of interest bearing borrowings	5 830	7 766
Current portion of non-interest bearing borrowings	857	857
Total borrowings	43 794	50 061

Name of entity	*Fixed interest rate %*	*Maturity*
State Guaranteed Loans	9.8 – 13.45	1 July 2022
Development Bank of Southern Africa - Loan 1	5.0	31 March 2023
Development Bank of Southern Africa - Loan 2	8.7	31 March 2023
Development Bank of Southern Africa - Loan 3	10.14	31 December 2019
Loan payable to TENET	14.17	30 June 2014
ABSA	7.56	31 July 2018

State Guaranteed and Development Bank of Southern Africa loans

The State Guaranteed Loans and the Development Bank of Southern Africa loans are unsecured. The State Guaranteed Loans, the subsidies of which range between 50% and 85% reflect the balance owing on loans raised to finance the acquisition of property, plant and equipment. The annual cost of interest and redemption, together with the state subsidy on these payments, are included in surplus for the year in the statement of comprehensive income.

Loan payable to TENET

The TENET loan is carried as a financial liability at amortised cost, being the present value of all instalment amounts still owing to TENET as at 31 December 2014.

- The financial liability is discounted using the effective interest rate method.
- The applicable discount rate is 14.17% p.a.
- Repayments are expected to be paid in equal instalments over a five-year period, beginning June 30, 2009.
- This loan has been repaid during the current year and is included in the current portion of interest bearing borrowings.

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2014

10. BORROWINGS (continued)

ABSA loan

The ABSA loan is an unsecured loan for the amount of R13 705 377 to purchase a computer network system. The interest rate is fixed at 7.56% per annum with monthly instalments of R275 334 for a period of 5 years. The ownership of the computer network system will transfer to DUT upon the final instalment paid. The amount outstanding is secured against the carrying amount of the computer equipment as detailed in Note 2.

11. RETIREMENT BENEFIT OBLIGATIONS

	2014 R'000	*2013* R'000
Statement of financial position obligations for:		
- Pension benefits	72 955	79 168
- Post employment medical benefits	152 982	138 735
	225 937	217 903

11.1 Pension obligations - National Tertiary Retirement Fund ("NTRF")

Employees are entitled to defined contribution pension benefits under the NTRF. Members who transferred from a government fund to the NTRF in 1994 are entitled to a defined benefit minimum guarantee upon retirement at a normal retirement age of 60. DUT has a contract with the NTRF under which it has an obligation to cover the deficit between accumulated defined contribution funds and the costs of the defined benefit underpin at retirement (payable to NTRF). The liability that is valued represents the net present value of future shortfall amounts that the Durban University of Technology needs to cover. This is a closed scheme with 191 active members and is funded. The entire defined benefit obligation relates to active members and is essentially a contribution based plan with a guarantee that takes into account final salaries.

The fund is financed by employer contributions and investment income. It is a funded plan. The only asset in the fund is the employer surplus account. This asset is creditor remote. Employer contributions equate to the benefits paid and are based on actuarial advice. The expense or income recorded in the surplus or deficit component of the statement of comprehensive income is determined by the sum of the current service cost, interest income on plan assets and interest expense.

Exposure to actuarial risks

The defined benefit fund exposes the University to the risk that the benefits guaranteed in the fund cost more than the accumulated assets set aside to meet such benefits, and ultimately will require additional funding from the University. This risk can be categorised into a number of actuarial risks such as:

Investment risk

The actuarial funding valuations make assumptions about the returns that may be available on invested assets. If the actual return on plan assets is below this rate, it may lead to a strain on the fund, which over time, may result in a higher obligation for which the University would need to set aside additional funds.

Inflation and pension increase risk

Benefits in the plan are to some extent tied to inflation, so increased inflation levels represent a risk that could increase the costs of paying the fund's guaranteed benefits.

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2014

11. RETIREMENT BENEFIT OBLIGATIONS (continued)

11.1 Pension obligations - National Tertiary Retirement Fund ("NTRF") (continued)

Longevity risk

If pensioners live longer than expected then that will, all else equal, increase the University's obligation as benefits will be paid for a longer term.

Salary risk

An increase in the salary of the plan participants will increase the plan's liability. This risk has been limited to an extent as the fund is a closed scheme.

Measurement risk

The IAS 19 liabilities are determined using various assumptions about future experience. One of the most important assumptions is the discount rate derived from prevailing bond yields. A decrease in the discount rate will, all else equal, increases the plan liability; this may be partially offset by an increase in the value of assets. Other important assumptions are the, rate of return on assets, inflation, pension increase, salary increase and the longevity assumption and changes in those could affect the measured value of liabilities significantly. Changes in other assumptions used, such as demographics, mortality, withdrawal rate, ill health retirement, expected retirement age, age of spouses, average future working life of active members and the percentage of members married at retirement could also affect the measured liabilities.

Regulatory risk

The fund's benefits are governed by the rules of the fund, operating within the relevant regulatory framework. To the extent that the government can change that regulatory framework, the University is exposed to a risk. In particular, regulations introducing issues like minimum benefits or minimum pension increases may result in higher benefits to members and a higher associated cost.

Expected top up payments over the next 4 years commencing 1 January 2016 are as follows:

Year ending 31 December 2016 – R 3 592 000
Year ending 31 December 2017 – R 14 487 000
Year ending 31 December 2018 – R 25 765 000
Year ending 31 December 2019 – R 22 134 000

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2014

11. RETIREMENT BENEFIT OBLIGATIONS (continued)	*2014 R'000*	*2013 R'000*
11.1 Pension obligations - National Tertiary Retirement Fund ("NTRF") (continued)		
Defined pension benefits	72 955	79 168
Made up as follows:		
Defined benefit obligation	170 326	166 318
Plan assets at fair value	(97 371)	(87 150)
	72 955	79 168
Unrecognised past service cost	-	-
Unrecognised net (gain)/loss	-	-
Net liability	72 955	79 168
The movement in the defined benefit obligation over the year is as follows:		
At beginning of year	79 168	82 553
Interest costs	12 742	10 379
Service costs	4 850	4 686
Contributions by plan participants	(11 370)	(14 781)
Actuarial (gain)/loss	(5 724)	1 320
Expected return on plan assets	(6 711)	(4 989)
At end of year	72 955	79 168
The amounts recognised in the Statement of Comprehensive Income are as follows:		
Interest and service costs	17 592	15 065
Expected return on plan assets	(6 711)	(4 989)
Total, included in Personnel (Staff costs)	10 881	10 076
The amounts recognised in Other Comprehensive Income are as follows:		
Net actuarial (gains)/losses recognised during the year	(5 724)	1 320
The principal actuarial assumptions used were as follows:		
Discount rate	7.90%	6.75%
Inflation rate	5.60%	6.10%
Expected return on plan assets		
- For income statement pension expense	7.90%	7.70%
- For member's share	7.90%	7.70%
Future salary increases	6.60%	6.25%
Future pension increases	3.08%	0.71%
Average retirement age	63	63

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2014

11. RETIREMENT BENEFIT OBLIGATIONS (continued)

11.1 Pension obligations - National Tertiary Retirement Fund ("NTRF") (continued)

The sensitivity analysis shows how the defined benefit obligation would have been affected by changes in actuarial assumptions. The sensitivities may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation recognised in the Statement of Financial Position. There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

	2014 R'000	*2013 R'000*
Assumptions regarding future mortality experience are set based on advice, published statistics and experience.		
The effect of a 1% increase in the discount rate is as follows:		
Effect on the obligation	(75 656)	(69 950)
The effect of a 1% decrease in the discount rate is as follows:		
Effect on the obligation	98 191	87 295
The effect of a 1% increase in the inflation rate is as follows:		
Effect on the obligation	67 932	28 165
The effect of a 1% decrease in the inflation rate is as follows:		
Effect on the obligation	(57 901)	(26 044)
The effect of a pension increase assumption of 70% of Consumer Price Inflation ("CPI"), as opposed to CPI, on the defined benefit obligation:	141 729	171 110
The effect of an expected retirement age of 65 years, as opposed to 61 years, on the defined benefit obligation:	(34 598)	(44 951)
The movement in the defined benefit obligation for the year is as follows:		
Beginning of the year	166 318	156 470
Service cost	4 850	4 686
Interest cost	12 742	10 379
Actuarial (gain)/loss	(2 214)	9 564
Top-ups allocated	(11 370)	(14 781)
End of the year	170 326	166 318

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2014

11. RETIREMENT BENEFIT OBLIGATIONS (continued)	*2014 R'000*	*2013 R'000*
11.1 Pension obligations - National Tertiary Retirement Fund ("NTRF") (continued)		
The movement in the fair value of plan assets for the year is as follows:		
Beginning of the year	87 150	73 917
Expected return on plan assets	6 711	4 989
Employee contribution	11 370	14 781
Top-ups allocated	(11 370)	(14 781)
Actuarial gain	3 510	8 244
End of the year	97 371	87 150
Actual return on plan assets	12%	18%

Based on present assumptions, the actuaries best estimate of the University's expected contribution to the defined benefit contribution plan in 2015 approximates R34 919 000.

11.2 Post retirement medical aid benefits

DUT offers employees and continuation members the opportunity of belonging to one of several medical schemes, most of which offer a range of options pertaining to levels of cover. Upon retirement, an employee may continue membership of the medical scheme. Upon a member's death-in-service or death-in-retirement, the surviving dependants may continue membership of the medical scheme.

Former Natal Technikon staffs who were employed before 1 January 2000 qualify for a post-employment medical aid subsidy. If they retire or die in service after 1 January 2006 they receive a subsidy of 60% of the contributions payable (for members and their dependants). If they retired before 1 January 2006, they receive a subsidy of between 60% and 100% of the contributions payable, as specified in the data provided. Post-employment subsidies are based on the contributions applicable to the scheme and benefit option selected by a member, but are limited to the contributions payable to Discovery's Classic Comprehensive benefit option. There is no benefit on resignation, retrenchment or retirement before the normal retirement age of 60. Upon a member's death-in-service or death-after-retirement, the surviving dependants will continue to receive the same subsidy. The fund is a closed scheme and is unfunded. There are 163 in-service members and 172 continuation members.

	2014 R'000	*2013 R'000*
Post retirement medical aid benefit obligation by member category:		
In service members	70 754	68 033
Continuation members	82 228	70 702
Total	152 982	138 735

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2014

11. RETIREMENT BENEFIT OBLIGATIONS (continued)

11.2 Post retirement medical aid benefits (continued)

Exposure to actuarial risks

The defined benefit medical aid fund exposes the University to the risk that the subsidies payable in the fund will fluctuate and ultimately will require additional funding from the University. This risk can be categorised into a number of actuarial risks such:

Investment risk

The actuarial funding valuations make assumptions about the returns that may be available on invested assets. However, with the defined benefit medical aid fund being unfunded there is no exposure to investment risk.

Inflation and health care cost inflation

Benefits in the plan are to some extent tied to inflation, so increased inflation levels and increased cost of medical care represents a risk that could increase the costs of paying the fund's benefits. This risk has been limited to an extent as the fund is a closed scheme.

Longevity risk

If retired members live longer than expected then that will, all else equal, increase the University's obligation as benefits will be paid for a longer term.

Measurement risk

The IAS 19 liabilities are determined using various assumptions about future experience. One of the most important assumptions is the discount rate derived from prevailing bond yields. A decrease in the discount rate will, all else equal, increases the plan liability. Other important assumptions are the health care cost inflation and the longevity assumption and changes in those could affect the measured value of liabilities significantly. Changes in other assumptions used, such as demographics, mortality, withdrawal rate, average retirement age, average age of dependents, number of dependents, average future working life of active members, average age of members, proportion of continuation of membership at retirement and proportion of members married at retirement could also affect the measured liabilities.

Regulatory risk

The fund's benefits are governed by the rules of the fund, operating within the relevant regulatory framework. To the extent that the government can change that regulatory framework, the University is exposed to a risk. In particular, regulations introducing issues like minimum benefits or minimum medical subsidy increases may result in higher benefits to members and a higher associated cost.

	2014 R'000	*2013 R'000*
Defined post retirement medical aid benefits	152 982	138 735
Made up as follows:		
Defined benefit obligation	152 982	138 735
Plan assets at fair value	-	-
	152 982	138 735
Unrecognised past service cost	-	-
Unrecognised net (gain)/loss	-	-
Net liability	152 982	138 735

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2014

11. RETIREMENT BENEFIT OBLIGATIONS (continued)	*2014 R'000*	*2013 R'000*
11.2 Post retirement medical aid benefits (continued)		
Movement in the defined benefit obligation is as follows:		
At beginning of year	138 735	141 276
Current service cost	2 797	3 209
Interest cost	11 967	10 554
Actuarial loss/(gain)	5 328	(11 117)
Benefits paid	(5 845)	(5 187)
At end of year	152 982	138 735
The amounts recognised in the Statement of Comprehensive Income are as follows:		
Current service cost	2 797	3 209
Interest cost	11 967	10 554
Total, included in Personnel (Staff costs)	14 764	13 763
The amounts recognised in Other Comprehensive Income are as follows:		
Net actuarial loss/(gain) recognised during the year	5 328	(11 117)
The principal assumptions used are as follows:		
Discount rate	8.39%	8.81%
Medical inflation	7.56%	7.97%
Average retirement age	60 years	60 years

The sensitivity analysis shows how the defined benefit obligation would have been affected by changes in actuarial assumptions. The sensitivities may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation recognised in the Statement of Financial Position. There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

Sensitivity Analysis on the defined benefit obligation:

Assumptions	Increase/ Decrease	*2014 R'000*	*2013 R'000*
Health care inflation	1%	21 190	18 815
	-1%	(17 544)	(15 619)
Discount rate	1%	(17 902)	(15 945)
	-1%	22 041	19 578
Post-retirement mortality	-1 year	5 937	5 505
Average retirement age	-1 year	4 143	4 103

Based on present assumptions, the actuaries best estimate of the University's expected contribution to the defined benefit medical aid plan in 2015 approximates R6 453 816.

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2014

12. EMPLOYEE BENEFIT LIABILITIES

Durban University of Technology provided a leave benefit scheme where employees could opt to accumulate any leave not taken during a year into a fund that accumulates over the working lifetime of the employee and gets paid out in cash to the employee upon termination (be it resignation, dismissal, retirement, early retirement or death). The leave benefit scheme is closed to Durban University of Technology employees and no further leave benefits can be accrued.

	2014 R'000	*2013 R'000*
Defined accumulated leave pay fund	809	824
Made up as follows:		
Defined benefit obligation	809	824
Plan assets at fair value	-	-
	809	
		824
Unrecognised past service cost	-	-
Unrecognised net (gain)/loss	-	-
Net liability at year end	809	824
Current portion of defined accumulated leave pay (disclosed under Note 15: Provisions)	(809)	(824)
	-	-

Movement in the defined benefit obligation is as follows:

Beginning of the year	824	20 622
Interest cost	64	645
Actuarial (gain)/loss	(39)	2 246
Benefits paid	(40)	(22 689)
End of the year	809	824

The amounts recognised in the Statements of Comprehensive Income are as follows:

Interest cost	64	645
Total, included in Personnel (Staff costs)	64	645

The principle assumptions used are as follows:

Discount rate	8.25%	8.25%
Inflation rate	5.50%	5.50%
Salary increase	6.50%	6.50%

Assumptions regarding future mortality are based on advice, published statistics and experience. No actuarial valuation was carried out in 2014 as the key assumptions used in 2011 were not expected to be significantly different.

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2014

13. DEFERRED TAX

	2014 R'000	*2013 R'000*
Deferred tax asset	-	311
Deferred tax liabilities	(1 592)	(68)
	(1 592)	243

2014	*Balance 31/12/2013 R'000*	*Charged through surplus or deficit R'000*	*Balance 31/12/2014 R'000*
The balance of the deferred tax is made up as follows:			
Property, plant and equipment	(44)	(1 524)	(1 568)
Rent expense accrual	(24)	-	(24)
Assessed losses	311	(311)	-
	243	(1 835)	(1 592)

2013	*Balance 31/12/2012 R'000*	*Charged through surplus or deficit R'000*	*Balance 31/12/2013 R'000*
The balance of the deferred tax is made up as follows:			
Property, plant and equipment	(25)	(19)	(44)
Rent expense accrual	(3)	(21)	(24)
Assessed losses	464	(153)	311
	436	(193)	243

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2014

14. TRADE AND OTHER PAYABLES

	2014 R'000	*2013 R'000*
Trade payables (including accruals)	122 181	95 452
Student deposits	533	2 805
Other payables	16 861	17 071
Total	139 575	115 328

Terms and conditions of the above financial liabilities:

- Trade and other payables are non-interest bearing
- Trade payables are normally settled on 30 day terms
- Other payables includes an accrual for employee bonuses of R 16.6 million (2013: R16 million).

15. PROVISIONS

	2014 R'000	*2013 R'000*
Made up as follows:		
Current portion of defined accumulated leave pay fund	809	824
Value added taxation	4 750	5 457
Vacation leave pay	33 183	21 675
	38 742	27 956

Movement in provision for defined accumulated leave pay and vacation leave pay is as follows:

At beginning of the year	22 499	37 563
Raised during the year	14 815	8 935
Utilised during the year	(3 322)	(23 999)
At end of the year	33 992	22 499

The provision for vacation leave pay represents the potential liability for leave days accrued and not utilised by staff members at year-end. The current portion of the provision for vacation leave represents the estimated amount of the capped benefit to be utilised by employees during the next 6 months.

Movement in provision for VAT is as follows:

At beginning of the year	5 457	4 429
Raised during the year	1 449	1 028
Utilised during the year	(2 157)	-
At end of the year	4 750	5 457

The provision for value added taxation arises from the University's non-compliance with the Value Added Taxation Act. The University did not pay value added taxation on its imported services. Management has provided for the best estimate of the amount that would be payable to the South African Revenue Services inclusive of penalties and interest. Refer to Accounting Policies 1.5 Significant judgements, estimates and assumptions.

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2014

16. DEFERRED GRANTS

	2014 R'000	2013 R'000
Research grant	53 671	43 464
Clinical training grant	11 770	7 147
Contract grant	16 100	7 438
Foundation grant	7 908	8 352
Infrastructure grant	365 120	356 161
Other grants	19 953	17 675
Private grant	33 256	34 788
Teacher development grant	18 374	12 605
Research and development grant	13 222	10 929
Education development unit project	899	763
Total of deferred grants	540 273	499 322
Current portion	8 354	2 334
Non-current portion	531 919	496 988
	540 273	499 322
Reconciliation of the movement for the year:		
Opening balance	499 322	236 752
New grants received	49 305	264 904
Released to surplus or deficit	(8 354)	(2 334)
Closing balance	540 273	499 322

Deferred grants includes an amount of R 213,161 million (2013: R 137,048 million) relating to assets constructed or purchased of which will be amortised over the remaining useful life of the related asset.

17. INVESTMENT INCOME

	2014 R'000	2013 R'000
17.1 Investment income		
Recurrent investment income	53 984	45 615
- Income from investments	6 525	4 247
- Interest received - call accounts and short term deposits	38 370	32 236
- Interest received - other	2 958	3 488
- Dividends received	6 131	5 644
Non-recurrent investment income	1 930	2 873
Total investment income	55 914	48 488
17.2 Realised cumulative net fair value gains and losses from the disposal of investments		
- fair value gain on disposal	36 047	12 184
- fair value loss on disposal	(379)	(2 449)
	35 668	9 735

Realised cumulative net fair value gains from the disposal of investments are recognised in "other income" in the Statement of Other Comprehensive Income.

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2014

18. PERSONNEL (staff costs)

	2014 R'000	2013 R'000
Recurrent staff costs	783 555	727 790
Academic professional	406 052	370 027
Other personnel	332 941	316 203
Sub-total	738 993	686 230
Outsourced services (security and cleaning)	44 562	41 560
Non-recurrent staff costs	21 916	24 275
Total staff costs	805 471	752 065
The following expense is included in the personnel costs:		
- Defined contribution plan	3 110	3 152
Average number of employees employed during the year:		
- Academic	606	627
- Non academic	778	781
Total	1 384	1 408

19. OTHER OPERATING EXPENSES

The following have been charged in arriving at other current operating expenses:		
Supplies and services	220 267	194 736
Movement in the bad debts provision	29 015	36 285
Repairs and maintenance	38 249	37 880
Included in supplies and services are the following expenses:		
- Auditors' remuneration	2 607	2 362
- Fees paid to internal auditors	1 709	1 457
- Fees paid to forensic auditors	215	-
- Operating lease expenses	71 207	57 765

20. FINANCE COSTS

Interest bearing borrowings	3 824	3 962

21. OTHER INCOME

The following have been received in arriving at other income:		
State grants	48 273	26 842
Private gifts and grants	1 746	10 068
Gain on disposal of investments	35 668	9 735
Income from contracts	21 746	24 625
Included in private gifts and grants:		
- Bequeathed income (EB Levenstein)	-	912

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2014

22. RISK MANAGEMENT

The University's principle financial instruments comprise available-for-sale investments, receivables, cash, short-term deposits, borrowings and trade and other payables.

The University manages a substantial portfolio of financial assets with a long-term view to grow the portfolio in order to provide financial stability, settlement of longer term liabilities, support for new initiatives and strategic objectives.

The main purpose of the borrowings is to raise finance for the University's infrastructure. The University's other financial assets and liabilities arise directly from its operations.

The main risks arising from the University's financial instruments are market risk, credit risk and liquidity risk. The subsidiaries do not have significant financial instruments.

Council, through its finance, risk and investment committees, reviews and agrees policies for managing each of these risks.

22.1 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices.

The financial assets are invested in terms of a considered strategy adopted by the University's Council and advised by the Investment Committee. Portfolios are allocated to selected portfolio managers who operate under defined mandates. The investment decisions made and performances of these managers are closely monitored by the Investment Committee.

The Investment Committee meets quarterly and receives reports from investment managers on a cyclical basis. In addition, the Investment Committee may co-opt any individual, consultant or specialist in the event of their expertise being required.

Internal checks are performed to confirm the income received and the purchase and sale of investments are reflected on the portfolio statements.

Price risk

The University and its subsidiaries are exposed to equity securities price risk because of the listed investments held by the University and these are classified in the notes to the financial statements (Refer to Note 4).

At December 31, 2014, if the JSE 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, funds would have been R17 979 503 (2013: R20 325 734) higher or lower.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The University is not exposed to cash flow interest rate risk on borrowings as the majority of their borrowings have fixed interest rates. The University and its subsidiaries are not exposed to cash flow interest rate risk on funds on call as the rate of interest was fixed on these investments at the year end.

As at December 31, 2014, if interest rates on the fixed term deposits had been entered into at rates 1% higher/lower, the surplus for the year would have been R7 869 063 (2013: R7 878 980) higher/lower as a result of higher/lower interest income.

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2014

22. RISK MANAGEMENT (Continued)

22.1 Market risk (Continued)

Interest rate risk (Continued)

The University has a number of receivables (i.e. student fees) where interest rates charged are at a fixed rate of 2% per month. The amounts of interest owed by staff are negligible.

The University holds a substantial amount of interest bearing investments and interest earning bank deposits. Interest risks relating to the University's investments are managed and monitored by the Investment Committee and management in the same manner as outlined above.

The following tables demonstrate the sensitivity of the University's financial assets and financial liabilities that are subject to interest rate risk to a reasonable possible change in interest rates, with all other variables held constant.

	Impact of interest changes on funds employed in R' millions					
Interest rate changes on basis points (BP)	**-200BP**	**-100BP**	**-50BP**	**50BP**	**100BP**	**200BP**
December 31, 2014						
Local capital market interest bearing Investments	(3.57)	(1.79)	(0.89)	0.89	1.79	3.57
December 31, 2013						
Local capital market interest bearing Investments	(2.86)	(1.43)	(0.72)	0.72	1.43	2.86

	Impact of interest changes on net surplus in R' millions					
Interest rate changes in basis points (BP)	**-200BP**	**-100BP**	**-50BP**	**50BP**	**100BP**	**200BP**
December 31, 2014						
Money market and call deposits	(15.74)	(7.87)	(3.93)	3.93	7.87	15.74
Cash and cash equivalents	(0.79)	(0.40)	(0.20)	0.20	0.40	0.79
December 31, 2013						
Money market and call deposits	(15.80)	(7.90)	(3.95)	3.95	7.90	15.80
Cash and cash equivalents	(0.61)	(0.31)	(0.15)	0.15	0.31	0.61

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The University enters into foreign currency transactions sporadically through the period however its exposure to foreign currency risk is negligible.

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2014

22. RISK MANAGEMENT (continued)

22.2 Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Potential concentrations of credit risk consist mainly of short-term cash, cash equivalent investments, trade receivables and other receivables.

The University places cash and cash equivalents with reputable financial institutions. The University places it's portfolio and unit trust investments with reputable fund managers. Multi-manager approach to the management of investments is followed in order to limit investment risk.

The maximum exposure to credit risk at the reporting date of cash and cash equivalents and receivables is the carrying amount as reflected in the Statement of Financial Position.

Receivables comprise outstanding student fees and student loans. The University is exposed to credit risk arising from student loans and outstanding student fees. The risk relating to student fees 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 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.

The collection of student loans is administrated by the National Students Financial Aid Scheme ("NSFAS") for which the measurement of the credit risk is actuarially determined.

Credit quality of financial assets

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to historical information about counterparty default rates:

	2014 R'000	*2013 R'000*
Receivables		
Counterparties without external credit rating:		
Group 1 – NSFAS	23 266	19 707
Group 2 - Student loans	23 024	19 072
Group 3 - Student fees	136 446	89 947
Group 4 – TENET	1 672	2 324
Total receivables	184 408	131 105

Group 1 - Amounts outstanding in respect of NSFAS, high credit quality
Group 2 - Student loans, moderate credit quality
Group 3 - Existing student accounts, moderate credit quality
Group 4 - Tenet loan receivable, high credit quality

	2014 R '000	*2013 R '000*
Cash at bank and short term deposits	830 881	820 514

All cash and short-term deposits are held with major banks in South Africa.

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2014

22. RISK MANAGEMENT (continued)

22.3 Liquidity risk

Liquidity is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The timing and nature of the University's cash inflows and outflows are such that liquidity problems are unlikely to arise. Furthermore, the University has access to funds through either its holding of short-term bank deposits or the un-endowed investments portfolio in the event that any unforeseen events occur. The cash flow position is monitored by management on a monthly basis.

The University has minimised its liquidity risk by ensuring that it has adequate banking facilities and reserve borrowing capacity.

Banking facilities

The University has the following facilities with its banker, Standard Bank:

- Credit card facility of R0.12 million (2013: R0.12 million)
- Performance guarantees of R4.149 million (2013: R4.149 million)
- Trading facility of R2 million (2013: R2 million)

Contractual maturity profile

The table below summarises the maturity profile of the University's non-derivative financial liabilities, based on contractual undiscounted payments:

	Less than 3 months R'000	*3 to 12 Months R'000*	*1 to 5 years R'000*	*Greater than 5 years R'000*	*Total R'000*
At December 31,2014					
Borrowings	-	17 247	*77 167	*136 039	230 453
Trade and other payables	139 575	-	-	-	139 575
At December 31,2013					
Borrowings	-	9 950	33 120	23 004	66 074
Trade and other payables	115 328	-	-	-	115 328

* This amount includes the amount that will be drawn against currently undrawn loan facilities.

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2014

22. RISK MANAGEMENT (continued)

22.4 Fair value estimation

When the fair values of financial assets and financial liabilities recorded in the statement of financial position or disclosed in the financial statements cannot be measured based on quoted prices in active markets, the fair value is measured using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Management have assessed that cash, short-term deposits, trade receivables, trade payables, and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. Where necessary, student loans and trade receivable are discounted to approximate their fair value on initial recognition.

The following methods and assumptions were used to estimate the fair values:

Long-term fixed-rate borrowings are evaluated by the University based on parameters such as interest rates, specific country risk factors, credit risk and the risk characteristics of the financed project (where applicable). Fair values of the University's interest-bearing borrowings and loans are determined by using discounted cash flows method using a discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own non-performance risk as at 31 December 2014 was assessed to be insignificant. As at year end, the carrying amounts of such borrowings were not materially different from their calculated fair values. This is mainly supported by the fact that these financial instruments are similar to instruments in the public tertiary education sector.

The fair value of unquoted instruments, loans from banks and other financial liabilities, obligations under finance leases, as well as other non-current financial liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.

The fair value of financial instruments traded in active markets (such as available for sale quoted equity securities, quoted bonds and unit trusts) is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the University is the current bid price at year-end.

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2014

22. RISK MANAGEMENT (continued)

22.4 Fair value estimation (continued)

Fair value hierarchy

The University uses the following hierarchy for determining and disclosing the fair value of financial instruments:

Level 1 Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2 Other techniques for which all inputs which have a significant effect on the recorded fair values are observable, either directly or indirectly.

Level 3 Techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

As at December 31, the following financial assets are measured at fair value:

Non-current investments	*Level 1 R'000*	*Level 2 R'000*	*Level 3 R'000*	*Total R'000*
2014	439 912	-	-	439 912
2013	395 596	-	-	395 596
Financial assets for which fair values are disclosed:				
Student Loans				
2014	-	-	23 024	23 024
2013	-	-	19 072	19 072
Financial liabilities for which fair values are disclosed:				
Fixed interest-bearings borrowings				
2014	-	-	43 794	43 794
2013	-	-	50 061	50 061

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2014

22. RISK MANAGEMENT (continued)

22.4 Fair value estimation (continued)

Financial assets by category	*Loans and receivables R'000*	*Available for sale R'000*	*Total R'000*	*Fair value R'000*
DECEMBER 31, 2014				
Financial assets				
Investments	-	439 912	439 912	439 912
Receivables – current	180 135	-	180 135	180 135
Receivables - non-current	23 024	-	23 024	23 024
Cash and cash equivalents	830 881	-	830 881	830 881
Total	1 034 040	439 912	1 473 952	1 473 952
December 31, 2013				
Financial assets				
Investments	-	395 596	395 596	395 596
Receivables - current	136 352	-	136 352	136 352
Receivables - non-current	19 072	-	19 072	19 072
Cash and cash equivalents	820 514	-	820 514	820 514
Total	975 938	395 596	1 371 534	1 371 534

Financial liabilities by category	*Amortised Cost R'000*	*Total R'000*	*Fair value R'000*
DECEMBER 31, 2014			
Financial liabilities			
Borrowings	43 794	43 794	43 794
Trade and other payables	139 575	139 575	139 575
Total	183 369	183 369	183 369
December 31, 2013			
Financial liabilities			
Borrowings	50 061	50 061	50 061
Trade and other payables	115 328	115 328	115 328
Total	165 389	165 389	165 389

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2014

22. RISK MANAGEMENT (continued)

22.5 Capital risk management

The capital of the University comprises restricted funds designated for specific purposes, fair value reserves and Council controlled funds.

The University's objectives when managing capital are to safeguard the ability of itself to continue as a going concern and to maintain an optimal structure to reduce the cost of capital. In order to maintain the capital structure the University has ensured a sound financial position by limiting exposure to debt and increasing investments and cash balances. This objective is met by a well-planned budget process each year.

23. CONTINGENT LIABILITIES

	2014	*2013*
	R '000	*R '000*
23.1 *Guarantees issued by the University's bankers:*		
City treasurer	39	39
SA Post Office Limited	120	120
Ethekwini Municipality	25	1 110
Msunduzi Municipality	42	42
The Standard Bank of SA Ltd	2 000	-
Eskom Holdings Limited	377	377
	2 603	1 688

23.2 *Indumiso College of Education*

The Department of Education and Training handed over the Indumiso College of Education to the former Natal Technikon. The operations of this college have been incorporated into the Durban University of Technology subsequent to the merger. The land and buildings have been capitalised in the accounting records of the University and no liability has been raised for the land and buildings.

The Department of Education has not given an undertaking to indemnify the University against any liability in respect of land and buildings of this college or against any future claims or liabilities that may exist in respect of this college.

The Department of Education is currently in the process of subdividing the property and transferring this property in the name of the Durban University of Technology. Management is uncertain if the subdivision will result in any possible obligations which may have to be settled in the future from the University's resources. Furthermore, management is unable to determine the quantum of such a liability and has been unable to obtain any further clarity from the Department of Higher Education and Training in this regard.

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2014

23. CONTINGENT LIABILITIES (continued)

23.3 As at December, 2014, the University was defending claims lodged by third parties:

During 2011, the University withdrew a supplier's preferred bidder status in respect of a tender. As at 31 December 2013 an initial application had been made by the supplier of which was dismissed in High Court. A second application for leave to appeal was instituted during March 2014. This second application has been dismissed in High Court. Judgement has been handed down by the High Court in favour of the University. The University's possible approximate financial exposure of R60.2 million has now come to an end.

23.4 Contingencies for Business Studies Unit ("BSU")

The University is currently engaged in litigation with the former franchisee of BSU to recover expenses incurred by the University on behalf of the BSU and claims made by the BSU for expenditure incurred on behalf of the University. At the reporting date management have measured the potential contingent asset to be R4,8 million. The University's attorneys have indicated that there is a reasonable prospect of success in its claim and in having the former franchisee's claim dismissed.

24. Associated Institutions Pension Fund ("AIPF")

86 employees (2013: 91) of the University are members of the AIPF. The AIPF is a state fund established in terms of the Associated Institutions Pension Fund Act No 41, 1963 and is a defined benefit plan with the state being the sponsoring employer responsible for any shortfall of benefits payable to members of the fund. Accordingly, the University is not required to recognise any proportionate share of the AIPF's defined benefit obligation, plan assets and cost associated with the plan in the same way as for any other defined benefit plan.

25. COMMITMENTS	*2014 R'000*	*2013 R'000*
25.1 *Capital commitments*		
Capital expenditure contracted for at reporting date but not recognised in the financial statements is as follows:		
Property, plant and equipment	153 792	209 806

Capital expenditure contracted as at December 31, 2014 relates largely to additions and alterations to S Block building (Steve Biko Campus) and the new student village.

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2014

		2014 R'000	2013 R'000
25.	**COMMITMENTS** (continued)		
25.2	*Operating lease commitments*		
	The future minimum lease payments under operating leases are as follows:		
	Not later than 1 year	60 310	58 514
	Later than 1 year and not later than 5 years	50 656	77 583
		110 966	136 097

Operating lease commitments are in respect of lease agreements for residence properties, photocopy machines and other office equipment.

The average lease term for residential buildings is 1 to 3 years (2013: 1 to 3 years) with an average escalation clause linked to the Consumer Price Index ("CPI"), (2013: CPI).

The average lease term for equipment is 5 years (2013: 5 years) with an average escalation clause linked to CPI, (2013: CPI).

25.3	*Finance lease commitments*	2014 R'000	2013 R'000
	The future minimum lease payments under finance leases are as follows:		
	Not later than 1 year	3 304	3 304
	Later than 1 year and not later than 5 years	8 535	11 839
	Total minimum lease payments	11 839	15 143
	Less finance charge	(2 378)	(2 377)
	Present value of minimum lease payments	9 461	12 766
	Not later than 1 year	2 612	2 422
	Later than 1 year and not later than 5 years	7 731	10 343
		10 343	12 766
	Non-current liability	7 731	10 343
	Current liability	2 612	2 422
		10 343	12 766

Refer to Note 2 for information on the finance lease terms.

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2014

26. CASH GENERATED FROM OPERATIONS

	2014 R '000	*2013 R '000*
Reconciliation of net surplus before taxation to cash generated from operations:		
Net surplus for the year before tax	110 104	109 701
Adjustments for:		
Increase/(decrease) in retirement benefit obligations	8 034	(5 926)
Increase/(decrease) in provisions	10 786	(15 229)
Depreciation and amortisation	43 712	34 410
Loss on disposal of property, plant and equipment	5 363	1 714
Realised fair value gain on disposal of investments	(35 668)	(9 735)
Investment income	(55 914)	(48 488)
Finance cost	3 824	3 962
Movement in long term cash	(6 172)	(1 285)
Prescribed debtors	(5 784)	(2 047)
Operating surplus before working capital changes	78 285	67 077
Changes in working capital	24 521	236 323
- Receivables and prepayments	(40 846)	(47 856)
- Inventories	169	(513)
- Government grants	40 951	262 570
- Accounts payable and accruals	24 247	22 122
	102 806	303 400

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2014

27. SENIOR MANAGEMENT COMPENSATION

The following disclosures relates to compensation paid to executive staff. Remuneration is based on the cost of employment to the University. These members of executive staff are considered to be key management personnel of the University.

Gross remuneration – 2014

DETAILS	OFFICE HELD	BASIC SALARY	EMPLOYMENT BENEFITS	OTHER ALLOWANCES	TOTAL COST
		R	R	R	R
EXECUTIVE MANAGEMENT:					
Prof A Bawa	Vice Chancellor	1 966 224	335 232	130 900	2 432 356
Prof N S Gwele	Deputy Vice Chancellor - Academic	1 837 632	199 346	22 900	2 059 878
Prof FAO Otieno*	Deputy Vice Chancellor - TIP	1 602 792	425 188	106 900	2 134 880
		5 406 648	**959 766**	**260 700**	**6 627 114**
EXECUTIVE DEANS:					
Prof T N Andrew	Executive Dean - Faculty of Engineering & Built Environment	1 305 252	380 884	98 649	1 784 785
Prof T Nepal	Executive Dean - Faculty of Accounting & Informatics	1 380 084	366 001	31 900	1 777 985
Prof T Puckree	Executive Dean - Faculty of Health Sciences	982 956	267 310	31 900	1 282 166
Prof S Singh **	Executive Dean - Faculty of Applied Sciences	928 956	285 306	31 900	1 246 162
Dr. R Balkaran	Executive Dean - Faculty of Management Sciences (Acting)	449 144	197 101	458 536	1 104 781
Dr R A Smith	Executive Dean - Faculty of Arts & Design (Acting)	444 816	150 913	440 990	1 036 719
		5 491 208	**1 647 515**	**1 093 875**	**8 232 598**
GRAND TOTAL		**10 897 856**	**2 607 281**	**1 354 575**	**14 859 712**

NOTES:

* Leave without pay (1 Feb '14 - 31 Dec'14), salary annualised.

** Appointed from 1 Feb 2014, salary annualised.

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2014

27. SENIOR MANAGEMENT COMPENSATION (continued)

Gross remuneration – 2013

DETAILS	OFFICE HELD	BASIC SALARY	EMPLOYMENT BENEFITS	OTHER ALLOWANCES	TOTAL COST
		R	R	R	R
EXECUTIVE MANAGEMENT:					
Prof A Bawa	Vice Chancellor	1 848 324	315 763	129 900	2 293 987
Prof N Gawe	Deputy Vice Chancellor - Institutional Support	1 480 560	438 946	266 929	2 186 435
Prof FAO Otieno	Deputy Vice Chancellor - TIP	1 507 284	413 145	93 900	2 014 329
Prof NS Gwele**	Deputy Vice Chancellor - Academic	1 651 548	201 198	488 508	2 341 254
		6 487 716	**1 369 052**	**979 237**	**8 836 005**
EXECUTIVE DEANS:					
Dr KF Netshiombo*	Executive Dean – Faculty of Arts & Design	1 411 176	164 635	1 528 166	3 103 977
Prof TN Andrew	Executive Dean – Faculty of Engineering & Built Environment	1 228 968	357 674	164 257	1 750 899
Prof T Nepal**	Executive Dean - Faculty of Accounting & Informatics	1 252 284	352 645	802 819	2 407 748
Dr R Balkaran	Executive Dean – Faculty of Management Science (Acting)	419 628	177 297	421 380	1 018 305
Prof D Lortan**	Executive Dean - Faculty of Applied Sciences	1 214 952	391 466	937 167	2 543 585
Prof T Puckree	Executive Dean – Faculty of Health Sciences	892 068	254 678	18 900	1 165 646
		6 419 076	**1 698 395**	**3 872 689**	**11 990 160**
GRAND TOTAL		**12 906 792**	**3 067 447**	**4 851 926**	**20 826 165**

* An amount of R1 332 150 is included as an exit package for Dr KF Netshiombo under other allowances.
**An amount is included for an accumulated leave pay-out under other allowances.

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2014

28. COUNCIL COMMITTEE COMPENSATION

Payments for attendance at meetings of the Council and its committees

2014

TO WHOM PAID	NUMBER OF MEMBERS	ATTENDANCE AT MEETINGS - AGGREGRATE AMOUNT PAID	REIMBURSEMENT OF EXPENSES - AGGREGRATE AMOUNT PAID
Chair of Council	1	12 000	-
Chairs of Committees	3	33 000	20 072
Members of Council	14	96 500	5 145
Members of Committees	18	**141 500**	**25 217**

2013

TO WHOM PAID	NUMBER OF MEMBERS	ATTENDANCE AT MEETINGS - AGGREGRATE AMOUNT PAID	REIMBURSEMENT OF EXPENSES - AGGREGRATE AMOUNT PAID
Chair of Council	1	12 000	-
Chairs of Committees	3	36 000	13 940
Members of Council	14	109 250	10 492
Members of Committees	18	157 250	24 432

29. RECLASSIFICATIONS

Immaterial reclassifications have been made to comparative amounts to achieve fairer presentation.

30. EVENTS SUBSEQUENT TO YEAR END

There were no events which were material to the financial affairs of the University which has occurred between the financial year end and the date of approval of the University's financial statements that required additional disclosures and amendments to these financial statements.

31. RELATED PARTIES

Related party transactions exist between the University and it's subsidiaries. Related party transactions comprise interest, rent, insurance, administration fees and royalties. Related party transactions and balances are eliminated on consolidation.

COUNCIL AND COMMITTEES OF COUNCIL MEETINGS AND ATTENDANCE

NAME OF COUNCIL MEMBER			COUNCIL COMMITTEES						
	COUNCIL	COUNCIL W/SHOP	AUDIT	JOINT AUDIT & FINANCE	JOINT AUDIT AND TENDER	FINANCE	EXCO	HUMAN RESOURCES	REMUNERATION
			NO. OF MEETINGS IN 2014						
	4	1	3	1	1	3	3	5	2
			NO. OF MEETINGS ATTENDED BY INDIVIDUAL COUNCIL MEMBERS IN 2014						
Ms K P M Baloyi	2 [2 mtgs held since app to Council]	1							
Mr B Barry	2 [2 mtgs held before end of term on Council]	0 [0 W/shop held before end of term on Council]		1		1 [1 mtg held before end of term on Committee]			0 [0 mtg held before end of term on Committee]
Prof A C Bawa	4	1	Advisory	1	1	3	3	4	Non-voting
Ms M Buchler	1 [2 mtgs held before end of term on Council]	0 [0 W/shop held before end of term on Council]						2 [2 mtgs held before end of term on Committee]	0 [0 mtg held before end of term on Committee]
Mr N Chonco	3	0					1 [1 mtg held since app to Committee]		
Mr M Estrice	4	1						5	
Prof N Gwele	4	1	Advisory	Advisory	1	Advisory			
Mr R Harichunder	4	1	3	1	1	3	2		2
Mr R Haripersad	2 [2 mtgs held since app to Council]	1				1 [1 mtg held since app to Committee]			
Ms D Hlatswayo	2 [2 mtgs held since app to Council]	1		0 [0 mtg held since app to Committee]		1 [1 mtg held since app to Committee]			1 [1 mtg held since app to Committee]
Mr T B Hlongwa	2 [2 mtgs held since app to Council]	0 [1 W/shop held since app to Council]		0 [0 mtg held since app to Committee]		0 [1 mtg held since app to Committee]			0 [1 mtg held since app to Committee]
Mr S Johaar	3	1		1		1 [1 mtg held before end of term on Committee]			0 [0 mtg held before end of term on Committee]
Ms G Lincoln	2 [2 mtgs held before end of term on Council]	0 [0 W/shop held before end of term on Council]						Non-voting	
Dr T Louw	3	0	3	0	1			5	2
Mr N Luthuli	1 [2 mtgs held before end of term on Council]	0 [0 W/shop held before end of term on Council]							
Mr N Z W Madinane	4	1	2 [As Acting Chair of Council was not eligible to attend 1 mtg]	1	0 [As Acting Chair of Council was not eligible to attend mtg]	2	3	5	1
Dr J N Makhanya	3	0						1 [Interim appointment]	1 [Interim appointment]
Mr A Malinga	0 [1 mtg held before end of term on Council]	0 [0 W/shop held before end of term on Council]							

NAME OF COUNCIL MEMBER			COUNCIL COMMITTEES						
	COUNCIL	COUNCIL W/SHOP	AUDIT	JOINT AUDIT & FINANCE	JOINT AUDIT AND TENDER	FINANCE	EXCO	HUMAN RESOURCES	REMUNERATION
			NO. OF MEETINGS IN 2014						
	4	1	3	1	1	3	3	5	2
Cllr W L Mapena	4	1						3 [3 mtgs held since app to Committee]	2
Mr L K T Mehta	3	1	0 [1 mtg held before end of term on Committee]	0 [1 mtg held before end of term on Committee]					
Ms M Mogodi-Dikgetsi	3	0				1 [Interim appointment]	3		1 [Interim appointment]
Mr O Mooki	2 [2 mtgs held before end of term on Council]	0 [0 W/shop held before end of term on Council]							
Ms A Moonasar	1 [2 mtgs held before end of term on Council]	0 [0 W/shop held before end of term on Council]							
Mr N G Munsamy	2 [2 mtgs held before end of term on Council]	0 [0 W/shop held before end of term on Council]		1		1 [1 mtg held before end of term on Committee]			
Mr P M Naidoo	4	1				0 [Interim appointment 1 mtg held]			
Mr A S Ngidi	3	0		1		1	2		
Mr M Ngcobo	3 [3 mtgs held since app to Council]	1							
Mr N Patchiappen	2 [2 mtgs held since app to Council]	1							
Dr J Reddy	4	1		0		2	3	4	2
Dr V Reddy	3	1			1 [Interim appointment]				
Dr L Samuels	3	0					1	Non-voting	
Ms Z K Seedat	2 [2 mtgs held before end of term on Council]	0 [0 W/shop held before end of term on Council]					1 [2 mtgs held before end of term on Committee]	1 [2 mtgs held before end of term on Committee]	0 [0 mtg held before end of term on Committee]
Mr S Sibiya	2 [2 mtgs held since app to Council]	1	1 [1 mtg held since app to Committee]	0 [0 mtg held since app to Committee]					
Mr B Singh	4	1	3	1	1	3			2
Dr R Smith	2 [2 mtgs held since app to Council]	1						Non-voting	
Ms G G Twala	2 [2 mtgs held since app to Council]	1						0 [1 mtg held since app to Committee]	0 [1 mtg held since app to Committee]
Mr S H Vezi	4	1							
Dr J Volmink	4	0				1 [Interim appointment]			0 [Interim appointment 1 mtg held]
Average Percentage of Attendance	**88%**	**72%**	**83%**	**73%**	**100%**	**78%**	**78%**	**81%**	**71%**

Key: : **Not applicable**

COUNCIL MEMBERS AS AT 1 JANUARY 2014 – 20 JULY 2014

NAME OF MEMBER	CONSTITUENCY
1. Prof. A C Bawa	Principal and Vice-Chancellor
2. Prof. N Gawe 3. Prof. N Gwele	Deputy Vice-Chancellors
4. Ms G Lincoln 5. Dr L Samuels	Senate
6. Mr P M Naidoo	Academic Staff
7. Ms A Moonasar	Professional & Administrative Staff
8. Mr N G Munsamy	Support & Service Staff
9. Mr A S Ngidi 10. Mr M Ngcobo	Students' Representative Council
11. Mr M Estrice	Institutional Forum
12. Ms M Buchler 13. Mr B Barry 14. Mr S Johaar 15. Mr N Luthuli 16. Dr N Makhanya	Minister's Nominees
17. Cllr. W L Mapena	eThekwini Municipality Nominee
18. Mr N Z W Madinane 19. Mr N Chonco 20. Mr S H Vezi	Convocation
21. Mr L K T Mehta	M L Sultan Charitable & Educational Trust
22. Mr R Harichunder 24. Dr T Louw 25. Ms M Mogodi-Dikgetsi 26. Mr O Mooki 27. Dr J Reddy 28. Dr V Reddy 29. Ms Z K Seedat 28. Mr B Singh 30. Dr J Volmink	Council appointees

COUNCIL MEMBERS AS AT 21 JULY 2014 – 31 DECEMBER 2014

NAME OF MEMBER	CONSTITUENCY
1. Prof. A C Bawa	Principal and Vice-Chancellor
2. Vacant 3. Prof. N Gwele	Deputy Vice-Chancellor
4. Dr L Samuels 5. Dr R Smith	Senate
6. Mr P M Naidoo	Academic Staff
7. Mr N Patchiappen	Professional & Administrative Staff
8. Mr R Haripersad	Support & Service Staff
9. Mr A S Ngidi 10. Mr M Ngcobo	Students' Representative Council
11. M Estrice	Institutional Forum
12. K P M Baloyi 13. Ms D Hlatshwayo 14. Mr T B Hlongwa 15. Mr S Johaar 16. Dr N Makhanya	Institutional Forum
17. Cllr. W L Mapena	Minister's Nominees
18. Mr N Z W Madinane 19. Mr N Chonco 20. Mr S H Vezi	Convocation
21. Mr L K T Mehta	eThekwini Municipality Nominee
22. Mr R Harichunder 24. Dr T Louw 25. Ms M Mogodi-Dikgetsi 26. Mr O Mooki 27. Dr J Reddy 28. Dr V Reddy 29. Ms Z K Seedat 28. Mr B Singh 30. Dr J Volmink	Council appointees

MEMBERSHIP OF COUNCIL COMMITTEES AND COUNCIL MEMBERS ON OTHER UNIVERSITY COMMITTEES AS AT 01 JANUARY 2014 – 20 JULY 2014

OFFICE BEARERS OF COUNCIL CHAIRPERSON : DR J REDDY
VICE-CHAIRPERSON : MR N Z W MADINANE

1. EXECUTIVE COMMITTEE

Dr J Reddy: **Chairperson** of the Council and Executive Committee
Mr N Z W Madinane: Vice-Chairperson of the Council
Prof. A C Bawa: Vice-Chancellor
Ms R Harichunder: Chairperson of Finance Committee
Dr T Louw: External Council Member
Ms M Mogodi-Dikgetsi: External Council Member
Ms Z K Seedat: External Council Member
Dr L Samuels: Senate member on Council
Mr A S Ngidi: Students' Representative Council

2. FINANCE COMMITTEE

Mr R Harichunder: **Chairperson** of the Finance Committee
Dr J Reddy: Chairperson of the Council
Mr N Z W Madinane: Vice-Chairperson of the Council
Prof. A C Bawa: Vice-Chancellor
Mr S Johaar: External Council Member
Mr B Barry: External Council Member
Mr B Singh: External Council Member
Mr N G Munsamy: Internal Council Member
Mr A S Ngidi: Students' Representative Council

Advisory Members
Prof. N Gwele: Deputy Vice-Chancellor
Deputy Vice-Chancellor: Institutional Support
Deputy Vice-Chancellor: Technology, Innovations &Partnerships
Chief Finance Officer

2.1. INVESTMENT COMMITTEE

Mr R Harichunder: **Chairperson** of the Investment Committee
Mr S Johaar: External Council Member
Mr B Singh: External Council Member

2.2. TENDER COMMITTEE

Mr R Harichunder: **Chairperson** of the Tender Committee

3. AUDIT COMMITTEE

Mr B Singh: **Chairperson** of the Audit Committee
Mr N Z W Madinane: Vice-Chairperson of the Council
Mr R Harichunder: Chairperson of Finance Committee
Dr T Louw: External Council Member
Mr L K T Mehta: External Council Member

Advisory Members
Vice-Chancellor and Deputy Vice-Chancellors
Chief Finance Officer
Chief Risk Officer

By Invitation
A representative of the External Auditors
A representative of the Internal Auditors

3.1 COUNCIL RISK COMMITTEE

Voting Members
Prof. A C Bawa: Vice-Chancellor
Dr T Louw: Audit Committee Member
Mr R Harichunder: Chairperson of the Risk Committee
Mr S H Vezi: External Council Member

Risk Committee (Cont....)

Advisory Members (Non-Voting)
Dr K Ndlshiombo
Dr M Mandew
The Chief Risk Officer

4. HUMAN RESOURCES COMMITTEE

Voting Members
Mr N Z W Madinane: Vice-Chairperson of the Council and **Chairperson** of the Council Human Resources Committee
Dr J Reddy: Chairperson of the Council
Ms M Buchler: External Council Member
Dr T Louw: External Council Member
Ms Z K Seedat: External Council Member
Prof. A C Bawa: Vice-Chancellor
Mr M Estrice: Staff representative on Council

Non-Voting Members
Deputy Vice-Chancellor: Institutional Support
Ms G Lipoahr: Senate representative on Council
Dr L Samuels: Chairperson of the IF
Chief Finance Officer
Administrative Head of Human Resources Department

5. REMUNERATION COMMITTEE

Voting Members
Mr B Barry: Finance Committee Member
Ms M Buchler: Human Resources Committee Member
Mr R Harichunder: Finance Committee Member
Mr S Johaar: Finance Committee Member
Dr T Louw: Human Resources Committee Member
Mr N Z W Madinane: Finance and Human Resources Committee Member
Dr J Reddy: Finance and Human Resources Committee Member
Ms Z K Seedat: Human Resources Committee Member
Mr B Singh: Finance Committee Member
Mr N Luthuli: By Invitation

Non-Voting Member
Prof. A C Bawa: Vice-Chancellor

6. SENATE

Dr V Reddy: External Council Member
Dr J Reddy: External Council Member
Dr J Volmink: External Council Member
(Alternate member)

7. INSTITUTIONAL FORUM

Ms M Mogodi-Dikgetsi: External Council Member
Cllr W L Mapena: External Council Member

8. STUDENT SERVICES BOARD

Mr L K T Mehta: External Council Member

9. VICE-CHANCELLOR'S RISK COMMITTEE

Mr L K T Mehta: External Council Member

MEMBERSHIP OF COUNCIL COMMITTEES AND COUNCIL MEMBERS ON OTHER UNIVERSITY COMMITTEES AS AT 21 JULY 2014 - 5 SEPTEMBER 2014

OFFICE BEARERS OF COUNCIL **CHAIRPERSON (ACTING)** : MR N Z W MADINANE
VICE-CHAIRPERSON : MR N Z W MADINANE

1. EXECUTIVE COMMITTEE

Mr N Z W Madinane: Vice-Chairperson / Acting Chairperson of the Council
Prof. A C Bawa: Vice-Chancellor
Mr R Harichunder: Chairperson of Finance Committee
Mr N Chonco: External Council Member (Interim appointment)
Dr T Louw: External Council Member
Ms M Mogodi-Dikgetsi: External Council Member
Dr J Reddy: External Council Member (Interim appointment)
Dr L Samuels: Senate member on Council
Mr A S Ngidi: Students' Representative Council

2. FINANCE COMMITTEE

Mr R Harichunder: **Chairperson** of the Finance Committee
Mr N Z W Madinane: Vice-Chairperson / Acting Chairperson of the Council
Prof. A C Bawa: Vice-Chancellor
Ms M Mogodi-Dikgetsi: External Council Member (Interim appointment)
Dr J Reddy: External Council Member (Interim appointment)
Mr B Singh: External Council Member
Dr J Volmink: External Council Member (Interim appointment)
Mr P M Naidoo: Internal Council Member (Interim appointment)
Mr A S Ngidi: Students' Representative Council

Advisory Members
Prof. N Gwele: Deputy Vice-Chancellor
Deputy Vice-Chancellor: Operations
Deputy Vice-Chancellor: Engagement
Chief Financial Officer

2.1. INVESTMENT COMMITTEE

Mr R Harichunder: **Chairperson** of the Investment Committee
Mr B Singh: External Council Member
Vacant: External Council Member

2.2. TENDER COMMITTEE

Mr R Harichunder: **Chairperson** of the Tender Committee

3. AUDIT COMMITTEE

Mr B Singh: **Chairperson** of the Audit Committee
Mr N Z W Madinane: Vice-Chairperson / Acting Chairperson of the Council
Mr R Harichunder: Chairperson of Finance Committee
Dr T Louw: External Council Member
Dr V Reddy: External Council Member (Interim appointment)

Advisory Members
Vice-Chancellor and Deputy Vice-Chancellors
Chief Financial Officer
Chief Risk Officer

By Invitation
A representative of the External Auditors
A representative of the Internal Auditors
A representative from the Office of the Auditor General of SA

3.1 COUNCIL RISK COMMITTEE

Voting Members
Prof. A C Bawa: Vice-Chancellor
Dr T Louw: Audit Committee Member
Mr R Harichunder: Chairperson of the Risk Committee
Mr S H Vezi: External Council Member

Council Risk Committee (Cont....)

Advisory Members (Non-Voting)
Dr R Smith
Dr M Mandew
The Chief Risk Officer

4. HUMAN RESOURCES COMMITTEE

Voting Members
Mr N Z W Madinane: Vice-Chairperson / Acting Chairperson of the Council and **Chairperson** of the Council Human Resources Committee
Dr T Louw: External Council Member
Cllr W L Mapena: External Council Member (Interim appointment)
Dr N Makhanya: External Council Member (Interim appointment)
Dr J Reddy: External Council Member (Interim appointment)
Prof. A C Bawa: Vice-Chancellor
Mr M Estrice: Staff representative on Council

Non-Voting Members
Deputy Vice-Chancellor
Vacant: Senate representative on Council
Dr L Samuels: Chairperson of the IF
Chief Financial Officer
Administrative Head of Human Resources Department

5. REMUNERATION COMMITTEE

Voting Members
Mr R Harichunder: Finance Committee Member
Ms M Mogodi-Dikgetsi: Interim Finance Committee Member
Dr J Volmink: Interim Finance Committee Member
Dr T Louw: Human Resources Committee Member
Mr N Z W Madinane: Finance and Human Resources Committees Member
Cllr W L Mapena: Interim Human Resources Committee Member
Dr J Reddy: Interim Finance and Human Resources Committees Member
Mr B Singh: Finance Committee Member
Dr N Makhanya: Interim Human Resources Committee Member

Non-Voting Member
Prof. A C Bawa: Vice-Chancellor

6. SENATE

Dr V Reddy: External Council Member
Dr J Volmink: External Council Member (Alternate member)

7. INSTITUTIONAL FORUM

Ms M Mogodi-Dikgetsi: External Council Member
Vacant: External Council Member

8. STUDENT SERVICES BOARD

Mr S H Vezi: External Council Member (Interim appointment)

MEMBERSHIP OF COUNCIL COMMITTEES AND COUNCIL MEMBERS ON OTHER UNIVERSITY COMMITTEES AS AT 06 SEPTEMBER 2014 - 31 DECEMBER 2014

OFFICE BEARERS OF COUNCIL — **CHAIRPERSON** : DR J REDDY
VICE-CHAIRPERSON : MR N Z W MADINANE

1. EXECUTIVE COMMITTEE

Dr J Reddy: **Chairperson** of the Council and Executive Committee
Mr N Z W Madinane: Vice-Chairperson of the Council
Prof. A C Bawa: Vice-Chancellor
Mr R Harichunder: Chairperson of Finance Committee
Mr N Chonco: External Council Member
Dr T Louw: External Council Member
Ms M Mogodi-Dikgetsi: External Council Member
Dr L Samuels: Senate member on Council
Mr A S Ngidi: Students' Representative Council

2. FINANCE COMMITTEE

Mr R Harichunder: **Chairperson** of the Finance Committee
Dr J Reddy: Chairperson of the Council
Mr N Z W Madinane: Vice-Chairperson of the Council
Prof. A C Bawa: Vice-Chancellor
Ms D Hlatshwayo: External Council Member
Mr T B Hlongwa: External Council Member
Mr B Singh: External Council Member
Mr R Haripersad: Internal Council Member
Mr A S Ngidi: Students' Representative Council

Advisory Members
Prof. N Gwele: Deputy Vice-Chancellor
Deputy Vice-Chancellor: Operations
Deputy Vice-Chancellor: Engagement
Chief Financial Officer

2.1. INVESTMENT COMMITTEE

Mr R Harichunder: **Chairperson** of the Investment Committee
Ms D Hlatshwayo: External Council Member
Mr B Singh: External Council Member

2.2. TENDER COMMITTEE

Mr R Harichunder: **Chairperson** of the Tender Committee

3. AUDIT COMMITTEE

Mr B Singh: **Chairperson** of the Audit Committee
Mr N Z W Madinane: Vice-Chairperson of the Council
Mr R Harichunder: Chairperson of Finance Committee
Dr T Louw: External Council Member
Mr S Sibya: External Council Member

Advisory Members
Vice-Chancellor and Deputy Vice-Chancellors
Chief Financial Officer
Chief Risk Officer

By Invitation
A representative of the External Auditors
A representative of the Internal Auditors
A representative from the Office of the Auditor General of SA

3.1 COUNCIL RISK COMMITTEE

Voting Members
Prof. A C Bawa: Vice-Chancellor
Dr T Louw: Audit Committee Member
Mr R Harichunder: Chairperson of the Risk Committee
Mr S H Vezi: External Council Member

Council Risk Committee (Cont....)

Advisory Members (Non-Voting)
Dr R Smith
Dr M Mandew
The Chief Risk Officer

4. HUMAN RESOURCES COMMITTEE

Voting Members
Mr N Z W Madinane: Vice-Chairperson of the Council and **Chairperson** of the Council Human Resources Committee
Dr J Reddy: Chairperson of the Council
Cllr W L Mapena: External Council Member
Dr T Louw: External Council Member
Ms G G Twala: External Council Member
Prof. A C Bawa: Vice-Chancellor
Mr M Estrice: Staff representative on Council

Non-Voting Members
Deputy Vice-Chancellor
Dr R Smith: Senate representative on Council
Dr L Samuels: Chairperson of the H
Chief Financial Officer
Administrative Head of Human Resources Department

5. REMUNERATION COMMITTEE

Voting Members
Mr R Harichunder: Finance Committee Member
Ms D Hlatshwayo: Finance Committee Member
Mr T B Hlongwa: Finance Committee Member
Dr T Louw: Human Resources Committee Member
Mr N Z W Madinane: Finance and Human Resources Committees Member
Cllr W L Mapena: Human Resources Committee Member
Dr J Reddy: Finance and Human Resources Committees Member
Mr B Singh: Finance Committee Member
Ms G G Twala: Human Resources Committee Member

Non-Voting Member
Prof. A C Bawa: Vice-Chancellor

6. SENATE

Dr V Reddy: External Council Member
Ms D Hlatshwayo: External Council Member
Dr J Reddy: External Council Member
(Alternate member)

7. INSTITUTIONAL FORUM

Ms M Mogodi-Dikgetsi: External Council Member
Ms G G Twala: External Council Member

8. STUDENT SERVICES BOARD

Mr S H Vezi: External Council Member

ACKNOWLEDGEMENTS

This report was compiled by the Division of Corporate Affairs.

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