




Stellenbosch University **Annual Report 2011**



UNIVERSITEIT•STELLENBOSCH•UNIVERSITY
jou kennisvennoot•your knowledge partner



Stellenbosch University is changing lives through its HOPE Project's science-for-society approach. The iShack that Thinati Manxiwa shares with her mother and two brothers in Enkanini is a shining example. Postgraduate students have collaborated with residents in an informal settlement in Stellenbosch to create a prototype eco-friendly dwelling or iShack. One of its features is a solar panel for basic electricity needs. The greater Stellenbosch area is the University's laboratory: what is developed here can be applied elsewhere on the African continent.

(www.thehopeproject.co.za/tsama)

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MESSAGE from the Chancellor

Dr Johann Rupert
Chancellor

In his book, *Africa in Chaos*, Prof George Ayittey, the Ghanaian-born economist, academic and president of the Free Africa Foundation, sketches the following picture of Africa:

Despite Africa's vast natural resources, its people remain in the deadly grip of poverty, squalor and destitution whilst buffeted by environmental degradation and brutal tyranny. Both external and internal factors can be blamed. Amongst the external factors are the legacies of colonialism, the lingering effects of the slave trade, Western imperialism and the pernicious international economic system. The internal factors include bad leadership, corruption, economic mismanagement, political tyranny, senseless civil wars, military vandalism, exploitation and the oppression of the peasant majority, denial of civil liberties and capital flight amongst others. Whilst both external and internal factors had played some role, the preponderance of the internal factors is evident. In fact, a new generation of angry Africans subscribe to the internalist school of thought. They lay greater emphasis on the internal causes and therefore advocate internal, that is African, solutions.

This is cause for concern, but unfortunately it is true. Africa's children deserve better. Too many children die young. Those who are fortunate enough to survive their birth will have to overcome challenges such as malnutrition, water shortages and homelessness, and will probably lose their parents, brothers and sisters at a young age to disease or civil war. Most of the children who survive will not receive sufficient schooling to ensure a good income. The parallels to our own country are very clear.

An Africa pessimist I am most definitely not. I firmly believe that only Africa can bring about its own progress. The criteria for successful economic policy should be better health care and education, as well as job creation and, particularly, agricultural production. The greatest majority of Africans work in the agricultural sector and therefore it is central to economic regeneration.

Politicians, economists and social scientists agree that winning nations flourish thanks to a healthy economic policy that encourages a free-market system, and the promotion of an information or knowledge economy. Democracy demands a free-market system.

This melting pot of challenges creates the context from which Stellenbosch University's HOPE Project (www.thehopeproject.co.za) was developed. The approximately thirty academic initiatives that have arisen from the HOPE Project are aimed at helping to combat things such as illiteracy, poverty, socio-political intolerance, poor health care, food shortages, injudicious land reform, shortages of skills, the diaspora of experts from Africa, disregard for the law and civil liberties, unsustainable environmental practices and political instability.

I find it insightful how the HOPE Project strengthens the core activities – teaching, research and community interaction – while at the same time significantly increasing the relevance of the work done by the institution for society. Without being unfaithful to its primary *raison d'être*, Stellenbosch University is busy making a difference by using its academic expertise to find sustainable solutions for Africa out of Africa. This surely is an example that can be followed by the different levels of the public sector, the private sector and civil society, and an initiative that we in the business sector should support in the interests of Africa's children.

I find it insightful how the HOPE Project strengthens the core activities – teaching, research and community interaction ...

MANAGEMENT TEAM of the Rector (2011)



**Rector and
Vice-Chancellor:**
Prof Russel Botman

**Vice-Rector
(Teaching):**
Prof Magda Fourie-Malherbe

**Vice-Rector
(Research):**
Prof Arnold van Zyl

**Vice-Rector (Community
Interaction and
Personnel):**
Prof Julian Smith

**Executive Director:
Operations and Finance:**
Prof Leopoldt van Huyssteen

Support Staff



**Chief Director:
Strategic Initiatives
and Human
Resources:**
Prof Tobie de Coning

**Senior Director:
Communication and
Liaison:**
Mr Mohamed Shaikh

**Director:
Projects:**
Dr Barbara Pool

Registrar:
Mr Johann Aspeling

Student Dean:
Dr Llewellyn MacMaster

At Stellenbosch University, we believe that we are true builders of hope on the African continent.

UNIVERSITY COUNCIL

as at 7 May 2012



- ☐ ☐ **Rector and Vice-Chancellor**
Prof HR Botman, BA, LicTheol, MTh, DTh (UWC)
 (01.03.2012–28.02.2017)
- Vice-Rector (Community Interaction and Personnel)**
- **Prof JF Smith**, MA, SED, DLitt (UWC) (01.03.2010 – 28.02.2015)
- Vice-Rector (Teaching)**
Prof M Fourie-Malherbe, BA, MEd, PhD, HED (UOFS)
 (01.10.2007–01.02.2012)
- Prof WL van der Merwe**, MB, ChB, MMed, MD (Stell), FCA (SA)
 (Acting from 01.02.2012)
- Vice-Rector (Research)**
Prof A van Zyl, MSc (Eng), PhD (Eng) (Cape Town)
 (01.04.2008–01.02.2012)
- Prof DE Rawlings**, BScHons, PhD (Rhodes)
 (Acting from 01.02.2012)
- Executive Director: Operations and Finance**
- ◇ **Prof L van Huyssteen**, MScAgric, PhD (Agric) (Stell)
 (01.08.2011–01.03.2013)
- Elected by the Permanent Academic Staff (Non-Senate Members)**
Prof SS du Plessis, MSc, MBA, PhD (Stell) (01.10.2011–30.09.2013)
- Elected by the Permanent Non-Academic Staff**
Ms JE Wiese, BA (UOFS), BAHons, SED (Stell) (06.04.2010–05.04.2012)
- Elected by the Institutional Forum**
Dr S Thom, BAHons, HED, PDFP, MA, DLitt (Stell), CFP
 (21.02.2011–31.08.2011) (Vacant from 01.09.2011)
- Appointed by the Minister of Higher Education and Training**
- ▽ **Mr FE Groepe**, BCommHons, MBA (Stell), PDLT (Cape Town), ACMA
 (14.06.2010–13.06.2014)
- Prof A Keet**, MEd (UWC), PhD (UP) (01.12.2010–30.11.2014)
- Ms TS Lingela**, BA (Fort Hare), BEd (Rhodes), MEd (UDW, USA)
 (01.12.2008–30.11.2012)
- Prof PG Maré**, BAHons (UN), BAHons (Witw), PhD (UN)
 (14.06.2010–13.06.2014)
- Elected by Convocation**
Dr JP Bekker, BAHons (Stell), LLB (Witw), MBA (Columbia, USA), DComm hc (Stell) (02.04.2012–01.01.2016)
- Prof WAM Carstens**, BAHons, MA, DLitt (Stell)
 (02.04.2010 – 01.04.2014)
- Prof DP du Plessis**, BSc (UK), MBA (cum laude), DBA (Stell)
 (02.04.2012–01.04.2016)
- Dr GC du Toit**, MB, ChB, MMed, FCOG (SA), Subspecialist Gynaecological Oncology (HPCSA) (02.04.2010–01.04.2014)
- Adv JC Heunis**, BA Law, LLB (Stell), LLM, LLD (RAU), SC
 (02.04.2010–01.04.2014)
- Dr R Kadalie**, BBibI (UWC), BAHons Anthropology (UWC), MA (ISS, the Hague, the Netherlands), DPhil hc (Uppsala, Sweden), DLitt hc (UWC), DPhil hc (Stell) (02.04.2010–01.04.2014) (Resigned on 12.09.2011)
- Mr PJ le Roux**, BComm, BCommHons (Stell) (02.04.2012–01.04.2016)
- Dr DA Scholtz**, MTh (Stell), MDiv (Pret), Drs Phil (Leiden, the Netherlands), DTh (Stell), PhD (PU for CHE) (02.04.2008–01.04.2012)
- Elected by Senate**
Prof NN Koopman, BA, MTh, DTh (UWC) (01.01.2012–31.12.2013)
- **Prof GF Lubbe**, BA, LLB (Stell), LLM (Yale) (01.01.2012–31.12.2013)
- **Prof A Schoonwinkel**, PrEng, MEng (Stell), MBA (Cape Town), PhD (Stanford)
 (01.01.2012–31.12.2013)
- Prof WL van der Merwe**, MB, ChB, MMed (Stell), FFA (SA), MD (Stell)
 (01.01.2010–31.12.2011)

Appointed by the Council of the Municipality of Stellenbosch

Mr JIK Gagiano, BAHons (Phil), BAHons (PolSc) (Stell)
 (13.04.2010–31.03.2012)

Adv WJ Pretorius, BComm (Stell), LLB (Pret), LLM (University of Amsterdam), BCommHons (FAPM) (cum laude) (Cape Town) (01.04.2012–12.04.2016)

Elected by the Donors

Dr PF de V Clüver, MB, ChB (Stell), MD (Göttingen, Germany), PhD (Stell), ChM (Cape Town), PhD (Agric) hc (Stell) (02.04.2008–01.04.2012) (Chair up to 01.04.2012)

Mr JJ Durand, BAccHons, MPhil (Oxon), CA (SA) (02.04.2012–01.01.2016)

○ ▽ □ **Mr GM Steyn**, BA Law, LLB (Stell) (02.04.2010–01.04.2014) (Chair from 02.04.2012)

○ **Prof PW van der Walt**, BScBEng, MEng, PhD (Stell) (02.04.2010–01.04.2014)

Appointed by the Business Community of Stellenbosch District

Ms ME Moolman, MSc (Stell), Dip Datametrics (Unisa), MBA (Stell)
 (01.10.2007–30.09.2011)

Appointed by the Western Cape Provincial Government

□ **Mr AP van der Westhuizen**, BComm, HED, MEd (Stell)
 (01.08.2010–31.07.2014)

Appointed by Representative Bodies of Civic Society

Ms E le Roux, BSocSc (UOFS), M Social Work (Stell)
 (01.05.2010–30.04.2014)

Mr J van der Westhuizen, BComm, HED (UPE), BEdHons (Unisa)
 (01.08.2010–31.07.2014)

Elected by the Students' Representative Council

Ms A Botha (01.09.2011–31.08.2012)

Mr N de Kock, BScHons, PGCE (cum laude) (01.09.2011–31.08.2012)

Mr KS de Villiers (01.09.2010–31.08.2011)

Mr JC Greyling (01.09.2010–31.08.2011)

The following Non-Council Members were appointed by Council as Additional Members of the Audit and Risk Committee

▽ **Mr JP Bester**, BCommHons (Acc) (Stell), BCommHons (ManAcc), BCommHons (Information Systems) (Cape Town), CA (SA)

▽ **Prof CJ van Schalkwyk**, BAccHons, MComm (Stell), CA (SA)

▽ **Mr BHJ Wessels**, BCompt (Unisa), GIA (SA)

The following Non-Council Members were appointed by Council as Members of the Investment Committee

◇ **Mr GT Ferreira**, BComm, BB and AHons, MBA (Stell)

◇ **Mr JF Mouton**, BCommHons, CTA (Stell)

◇ **Mr PG Steyn**, BComm, LLB (Stell)

◇ **Mr MH Visser**, BCommHons (Stell), CA (SA)

◇ **Dr GS van Niekerk**, BCommHons, BB and AHons (Stell), MA (North-Western, USA), AMP (Harvard, USA), DPhil hc (Unisa) (Vice-Chair)

○ **Members of the Executive Committee of Council**

▽ **Members of the Audit and Risk Committee of Council**

□ **Members of the Human Resources Committee of Council**

◇ **Members of the Investment Committee of Council**

REPORT OF THE CHAIR of the University Council

*Dr Paul F de V Clöver
Chair of the University Council*



The year under review was one in which the foundation was laid for stable progress. Over the past 10 years, Stellenbosch University has directed its activities according to *A Strategic Framework for the turn of the century and beyond*, which was approved by Council in 2000. Vision 2012 was developed from this and, in 2008 – one year after the appointment of Prof Russel Botman as Rector and Vice-Chancellor – the Council accepted the Overarching Strategic Plan (OSP). With a view to the period after 2012 – and therefore Prof Botman's second term of office – he and his Management Team – took stock in 2011 of strategic priorities that are included in the Institutional Plan 2012–2016, with clear management indicators and institutional objectives. The University Council accepted the Institutional Plan in November 2011.

The systematic transition from the Strategic Framework to Vision 2012, the Overarching Strategic Plan (renamed HOPE Project) and the Institutional Plan is indicative of the University management's focused attention to the strategic positioning of the institution. Through all the changes, the Strategic Framework remained the foundation, but thanks to visionary strategic thinking and careful planning it is retained in a nuanced manner to keep pace with the changing realities in the higher education sector and with national objectives.

A high premium was placed on good governance. The attendance of Council meetings (see "Attendance of Meetings" on the adjacent page) and of special Council discussions was exceptionally good and this contributed to good meetings, since the Council members were involved throughout and well informed. A Council calendar was compiled with the view to preparing adequately for the proper discussion of the core business of the University. Council was provided throughout with good reports from Council committees, the Institutional Forum, Management and the Senate. Furthermore, the functioning of Council was tested on the basis of a complete Council evaluation with a view to dealing with deficiencies and establishing a more effective Council.

A number of important matters that received prominent attention in Council included:

- The linking of the perennial student enrolment planning with the income, expenditure and capital planning. The University is planning for moderate growth in undergraduate student numbers, with bigger growth in Education, Engineering and the Health Sciences, and for stronger growth in postgraduate student numbers.
- The progress made by the Centre for Student Communities (CSC) in the course of the year with the cluster initiative by which both residence and private students are increasingly being integrated in student communities in the out-of-class environment. At the same time, the students' out-of-class experience is increasingly being integrated with the in-class experience.

- The successful submission of new proposals for European Union funding – a competitive funding programme that requires strong international research partnerships – raising the number of successful applications to a total of 27, which represents an overall grant income of approximately €5,3 million.

Now that I am coming to the end of my term of office as Council Chair, I would like to acknowledge the University management, who over the past few years have calculatedly steered the institution away from negative historical perceptions and made the University more visible, both nationally and internationally. Thanks to excellent academic and research achievements, and greater visibility, the University for the first time found itself on three world rankings lists in record time in 2011: the QS World University rankings; the Times Higher Education World University rankings; and the University of Leyden ranking of the top 500 research universities in the world.

I would like to thank all the members of Council with whom I had the privilege of sharing my term of office, for their dedication to the interests of the University, their enthusiastic participation in discussions and their service on Council committees. Council also has great appreciation for the staff, both academic and non-academic, and for the students who all worked together purposefully to develop the University. To my successor, Mr George Steyn, the current members of Council and the new members of Council who will assume duty in 2012, I wish success. To Prof Botman and his Management Team I wish to convey my appreciation for their support during my term of office. With its plans for 2012–2016, the University will once again illustrate how adaptable and relevant the institution can remain in a changing environment. In this I also wish Stellenbosch University every success.

*Dr Paul F de V Clöver
Chair of the University Council*

Attendance of Meetings



COUNCIL MEETINGS

The Council of Stellenbosch University consisted of 30 members in 2011: four were executive members; 14 were independent, non-executive members; five were employee representatives; five were appointed by government; and two were student representatives. (See page 7 for Council Members.)

Council officially met four times during the year under review. Stellenbosch University is proud to report that the average rate of attendance of meetings was 90%. The lowest rate of attendance was 87%.

COMMITTEES OF COUNCIL

Council has eight committees that meet at varying intervals – some meet before every Council meeting, while others meet only as the need arises.

The most important committee is the Executive Committee of Council. This Committee, which comprised seven members in 2011, met four times during the year under review. There are no matters pending on the agenda of the Committee. Matters pending on the agendas of other committees that report to Council via the Executive Committee will eventually appear on the agenda of the Executive Committee – who will then deal with those matters.

Attendance at the meetings of the Executive Committee was as follows:

| | |
|-----------|-------------------|
| March: | 7 members present |
| May: | 7 members present |
| August: | 6 members present |
| November: | 5 members present |

For 2011, the average rate of attendance for the Executive Committee was 90%. Overall, the meetings of the committees of Council were well attended. The average rate of attendance of the committees was 88%.



1. Learning and Research Commons

The Learning Commons and Research Commons are two ultramodern, interactive learning spaces that were opened in 2011 in the University's central library, the JS Gericke Library, to promote student success and academic excellence.

The Learning Commons was created thanks to significant funding from the HOPE Project to improve students' success rate, particularly that of students from previously disadvantaged communities. It provides an integrated library service and has 116 computer workstations from which our undergraduate students enjoy optimal access to user software, the Internet and the databases subscribed to by the library, as well as the library's printed and electronic collections. Also available are laptop user areas, scanners and printers. The Learning Commons provides, too, an innovative and productive environment in which students acquire knowledge and skills in proactive and interactive ways.

The Carnegie Research Commons, a facility funded from the HOPE Project and by outside partnerships, is aimed at further bolstering the University's research focus. It contributes to the University's postgraduate throughput rates and research outputs by providing a space that promotes real-time research projects with international partners, dialogue on research and joint research publications.

REPORT OF THE RECTOR and Vice-Chancellor

Prof HR Botman
Rector and Vice-Chancellor



The core activities of the University in 2011 were aimed primarily at the fulfilment of the promise that I made to the University community and our country during my installation speech on 11 April 2007: to take the University forwards from success to significance. This report, which covers the final year of my current term of office, offers an opportunity to measure our core activities, not only in terms of this promise, but also against our positioning as a 21st-century university that sets the pace as an academic and research leader on the African continent and whose community involvement is characterised by people development.

What is our view of a 21st-century university? And how does such a university relate to the fulfilment of the promise that was made? It is an institution that:

- focuses on technologically advanced teaching and learning, and on innovative research;
- works purposefully towards the development of a new generation of academics who are competent to face the challenges of the knowledge economy;
- is serious about the harnessing of science for sustainable solutions to some of the greatest challenges facing the continent; and
- is aimed increasingly at community interaction in which communities are developed with the aid of firmly established academic and research insights and skills.

Over the years, Stellenbosch University (SU) has distinguished itself as an academic institution of stature and a leader in the field of research. Despite its excellent pass rate, the high demand for its graduates in the market and its international research reputation, SU experienced a lack of presence (and credibility) in its non-traditional target markets – something that could hardly serve to project it as a national asset in the public domain. For most South Africans, the successes of the University were insignificant in so far as they could not see or experience the scientific impact in their immediate environments and living spaces – hence the University's lack of significance in large parts of our own region and our country.

Likewise, the University up to 2011, despite its proven research record and despite its strong international partnerships in both teaching and research, had not been able to make its presence felt in the acknowledged international rankings of top universities. The validity and utility of such rankings are the subject of intense and ongoing international debate; the criteria and methods of assessment are in dispute; and some research experts attach little scientific value to such lists. In the public domain, by contrast, the approach is different: universities worldwide view these lists as an acknowledgement of high quality in the research work done by institutions of

higher education and research institutes, and students are increasingly taking note of these lists when they need to make up their mind about their preferred institution for further study.

PURSUIT OF SIGNIFICANCE

We have tackled the pursuit of significance in a variety of ways, both directly and indirectly:

1. Continuation of the vision and mission as stated in the course-setting document *A Strategic Framework for the turn of the century and beyond* (20 March 2000)

Having ratified the consolidated Vision 2012, Council took the view that for the rest the Strategic Framework should remain in place. The Framework has not only helped to facilitate a natural continuation of our current gearing-up phase; it also serves as the foundation for the management actions over the next five years. The business plans of the individual environments set clear management objectives and indicators that steer the academic successes and pursuit of significance. It is this Framework, too, that enabled us in 2011 to extend the individual business plans into a comprehensive Institutional Plan for the period 2012–2016. Central to this Institutional Plan is SU's HOPE Project, with its threefold management actions:

- HOPE as a set of integrated initiatives (managed by the deans and environment heads);
- scientific practice for HOPE in and out of Africa (managed by the vice-rectors within the framework of SU's distinctive academic planning and proven strengths); and
- HOPE as a focused international campaign (managed by the Rector)

2. The HOPE Project: some early successes

Thanks to an emphasis on functional academic adaptations (rooted in searching introspection on the University's role and contribution in a changing political milieu), and thanks to a serious engagement in affirmative action early on in the 21st century, the academic community has in recent years appreciably



expanded the University's significance and relevance in the surrounding communities and in the greater region.

In many respects, the HOPE Project (www.thehopeproject.co.za), with its focus on the application of science to finding lasting solutions to the challenges facing our society, has taken the University and its knowledge base to communities; it has tackled fundamental problems, generated new knowledge, and laid the groundwork for new thinking that gains shape in alternative approaches and the implementation of new policy. After the public launch of the HOPE Project on 21 July 2010, more than 30 academic initiatives became powerful vehicles for the University's broader project of teaching and learning, research and community interaction in 2011. (See the overleaf list of the successes of HOPE Project initiatives in 2011, together with indications of their impact on human lives and/or communities.) It is a living testimonial to the University's establishment as a builder of hope in our surrounding communities and to the quantum leaps with which the level of its relevance and significance has risen.

Externally, these initiatives should make a contribution to the University's realisation of its five selected themes from the international development agenda with a special focus on Africa:

- eradicating poverty and related conditions;
- promoting human dignity and health;
- promoting democracy and human rights;
- promoting peace and security (including food security); and

- promoting a sustainable environment and a competitive industry.

Internally, these initiatives and the University's broader project of teaching and learning, research and community interaction are aimed at the four strategic focuses within which it wishes to establish itself as a leader on the continent by 2016:

- maintaining and extending our knowledge base;
- strengthening the diversity profile of both the staff and the student corps;
- further developing our proven pass rate and student success record; and
- ensuring the systemic sustainability of the University at all levels, including the conduct of our academic activities in a sustainable environment.

In essence, these focuses are the University's management mandate for the next five years, with clear strategic aims that it needs to realise measurably along the path that it has set out on by 2016. See Table 1 (below) and Table 2 (on page 14) about the University's strategic focuses and institutional strategies until 2016. The reports of the vice-rectors, the executive director and the deans that appear elsewhere in this Annual Report provide detailed explanations of the activities of the academic and support service environments, along with indications of how these activities influence the focuses and how they significantly strengthen the University's progress in terms of relevance and significance.

Table 1: Calculated values of strategic management indicators for SU, 2006 and 2011

| Focus | Strategic Management Indicators | 2006 | 2011 | % Variation 2006/2011 |
|-----------------|---|-------|--------|-----------------------|
| Knowledge base | Publication output of teaching/research staff | 0,73 | 0,84 | 15,08 |
| | Percentage of permanently appointed teaching/research staff with doctorates | 57,36 | 62,54 | 9,03 |
| | Percentage of NRF-evaluated teaching/research staff | 27,33 | 26,56 | -2,83 |
| | Percentage postgraduate students | 23,10 | 28,30 | 22,52 |
| | Postgraduate qualifications awarded | 1,08 | 1,35 | 25,18 |
| | Innovation score | 0,36 | 0,52 | 43,22 |
| | Community interaction score | 4,28* | 7,65 | 78,74 |
| Student success | Success rate of undergraduate students | 78,51 | 81,81 | 4,20 |
| Diversity | Diversity of teaching/research staff | 47,41 | 50,60 | 6,73 |
| | Diversity of postgraduate students | 42,08 | 46,56 | 10,64 |
| | Diversity of first-time entering undergraduate students | 20,33 | 26,45 | 30,12 |
| | Percentage postgraduate students from other African countries | 8,23 | 12,73 | 54,72 |
| | Established partnerships in Africa | 0,27 | 0,41 | 53,21 |
| Sustainability | Utilisation of teaching/research staff | 42,97 | 56,02 | 30,37 |
| | Third-stream income | 64,15 | 149,94 | 133,73 |

* The value of 2009 is shown here instead of that of 2006, because the measurement of community interaction only stabilised by 2009.


REPORT OF THE RECTOR and Vice-Chancellor (continued)



Successes of HOPE Project initiatives in 2011*

| | |
|----|--|
| 1 | Learning Commons and Carnegie Research Commons These two ultramodern, interactive learning spaces in the University's central library, the JS Gericke Library, promote student success and academic excellence. For more information, see page 9. |
| 2 | Frederik van Zyl Slabbert Institute for Student Leadership Development (FVZS) The first of its sort in South African higher education, the FVZS develops the leadership, communication, conceptual and decision-making skills of students. For more information, see page 15. |
| 3 | Ukwanda Rural Clinical School The Faculty of Health Sciences is the first South African medical school to establish a rural clinical school. Ukwanda will hopefully help to reduce the shortage of professional health-care practitioners in rural areas by giving students first-hand experience of the health needs of rural communities. For more information, see page 17. |
| 4 | SU Food Security Initiative (FSI) The FSI is a comprehensive effort within the HOPE Project to eradicate endemic poverty and famine. For more information, see page 19. |
| 5 | Graduate School The Graduate School in the Faculty of Arts and Social Sciences coordinates research themes that focus on the development of Africa and administers the doctoral programmes and full-time doctoral bursaries. For more information, see page 25. |
| 6 | African Doctoral Academy (ADA) This initiative, which is linked to the Graduate School, offers research training and support of a high quality to current and prospective doctoral students and to academics who supervise and manage postgraduate students. For more information, see page 32. |
| 7 | PANGeA (Partnership for Africa's Next Generation of Academics) To strengthen higher education in Africa, PANGeA creates opportunities for cooperative research and knowledge exchange between six peer institutions. For more information, see page 34. |
| 8 | Institute for Mathematics and Science Teaching (IMSTUS) IMSTUS runs an extremely successful bridging programme, SciMathUS, offering matriculants from previously disadvantaged schools an opportunity to improve their Grade 12 marks in Mathematics and either Physical Sciences or Accounting. For more information, see page 37. |
| 9 | Stellenbosch University Advancement Academy Following the early success of the HOPE Project and its fundraising campaign – the largest yet on the African continent – SU took another lead by setting up Africa's first academy for institutional advancement. For more information, see page 40. |
| 10 | Stellenbosch University Water Institute The Institute is a multidisciplinary research enterprise to ensure the availability of adequate, safe and affordable water supplies for a sustainable livelihood. For more information, see page 48. |



*More information on successes of HOPE Project initiatives in 2011 will be indicated with  throughout the Report.

Initiatives that are expanding SU's scientific footprint in Africa

Periperi U (Partners Enhancing Resilience to People Exposed to Risks)

Periperi U is a partnership of higher education institutions in Africa (including SU) that promotes a transdisciplinary knowledge domain at universities on dealing with the continent's disaster risks. For more information, see page 66.

TRECCAfrica

TRECCAfrica, a consortium of six African universities, focuses on transdisciplinary training in the efficient application of resources in Africa. For more information, see page 79.



3. Continuation of research achievements and of publications in internationally accredited professional journals

In 2011, Stellenbosch University continued to live up to its vision of being a leading research-driven university on the continent by maintaining its cutting-edge position – thanks to a purposeful focus not only on innovative self-renewal in its research outputs, but also on the needs of communities. In 2011, the official 2010 research output data that we received from the Department of Higher Education and Training (DHET) once again confirmed the University's reputation as the most research-productive academic institution at the national level. (See the report of the Vice-Rector (Research), page 35.) The weighted research output per SU member of staff (publications and postgraduate students) was 2,37 – the highest of all the universities in the country for the third year running. Once again, there was a shift in our publications to international professional journals, with 72,5% of our accredited articles appearing in international professional journals. The amount in DHET subsidy on books and chapters in books, and on conference proceedings received by the University increased by 25,5% and 24,5% respectively from 2005 to 2010.

A total of 650 new research contracts were processed in 2011. The research contracts signed had a total joint value of R465 million. Through THRIP (the Technology and Human Resources for Industry Programme) our partnerships with industry were strengthened further by the submission of 42 applications for THRIP funding, which resulted in the award of R16,5 million in additional funding, amounting to a submission success rate of 98%.

2011 also was the year in which the University's status as a leading research-driven institution was reflected – for the first time – on three rankings of internationally recognised universities, namely the Quacquarelli Symonds (QS) World University Rankings, the Times Higher Education World University Rankings and the Leyden Ranking.

4. Intensified focus on the promotion of accessibility

The promotion of accessibility at SU is a strategic objective aimed at attracting students and staff to the University from non-traditional target markets in particular. In the year under review Management launched a variety of initiatives, with the support of Council, that on the face of it had little to do with academia, but that were indispensable for the successful running of the University. These include matters such as:

- **Commuter service for students.** A commuter service is being developed that will enable day students to

attend their classes with the least amount of discomfort and maximum safety and that will also help to facilitate after-hours study.

- **Hubs for day students.** It is a fact that residential students fare better than students who live elsewhere. Hubs are venues that are being specially built for day students to enable them to share in the learning and living environments of residential students. At the same time the day students improve their chances of academic success. The same benefits are enjoyed by day students from previously disadvantaged communities.
- **Multilingual teaching model.** The multilingual teaching model was expanded further in the period under review. In addition to the full-cost provision for the implementation of the decisions relating to the Language Policy, a further amount of R7 million was provided in 2011 for the broader implementation of parallel medium instruction in larger faculties such as Economic and Management Sciences, and for the implementation of a pilot project in educational interpreting in specific modules in the Faculty of Engineering.
- **Telematic access.** The telematic platform of the Division for Telematic Services was of considerable help in creating the opportunity for students from all communities to share in SU's postgraduate academic offering. Of the students on the platform in 2011, 83% came from previously disadvantaged communities.
- **Articulation between school education and higher education.** In order to improve the accessibility of the University even further, the telematic platform has been used over the past three years in collaboration with the Western Cape Department of Education for improving the articulation between school education and higher education. In 2011, more than 100 hours of real-time interactive satellite broadcasts in seven subjects were made to 145 schools in the Western Cape. About 20 000 Grade 11 and 12 learners participated in the project. From both the formal and the informal impact study, it is clear that this support to schools made a significant positive difference in the lives of many teachers and pupils.

5. Extension of the University's responsibilities as active role player in the surrounding communities

- The symbiotic town and gown relationship between the University and the Municipality was strengthened further in 2011. The established structure for dialogue on and planning of matters of mutual interest, the Rector/Mayor Forum, established three subcommittees to handle matters of fundamental importance on behalf of the Forum. The Institutional Planning Committee (IPC), comprising experts from both parties, monitors the physical planning of the infrastructure of the greater

REPORT OF THE RECTOR and Vice-Chancellor (continued)

Stellenbosch area and makes recommendations on this to the Forum and to the Executive Committee of the Municipality. The Monitoring and Advisory Committee on Crime (MACC) handles safety issues and the prevention and better management of crime in the town and University environment (supplementing the work of the Community Policing Forum). The Social Cohesion Movement represents a broad community organisation of nongovernmental organisations and interest groups that promotes social cohesion in the Stellenbosch environment in association with the SU

Division for Community Interaction.

- In the course of 2011, the University signed memoranda of understanding with the Municipalities of Drakenstein and Hessequa with a view to mutual benefit in the sphere of development. On the one hand, the University provides expertise essential to the training of officials in public management; on the other hand, our students gain opportunities for experiential learning through practical exposure in their chosen subject disciplines at the respective municipalities.

Table 2: Summary: SU's strategic focuses and institutional strategies, 2011-2016

| Strategic focus | Institutional strategies |
|--|---|
| Knowledge base The University's lasting competitive advantage is based primarily on the expertise of its staff – as creators, as conveyers and as implementers of knowledge. The focus on research and on postgraduate study is closely related to this. | <ul style="list-style-type: none"> • Strategic recruitment in order to attract and to retain the best expertise. • Intensified career development for young academics in order to ensure adequate exposure, sufficient knowledge transfer and optimal use of mentorships. • Establishment of the African Doctoral Academy in order to continue raising the University's level of academic expertise. • Establishment of deans' funds in order to attract top-quality academics and to create an inspiring learning environment that attracts the best students. |
| Diversity The need to diversify both the staff corps and the student corps (as far as race and gender are concerned). At issue here is the relevance and accessibility of the institution in service of the broader South African community. | <p>Staff:</p> <ul style="list-style-type: none"> • Accelerated diversification among senior staff. • Clear succession planning. • Expansion of and additional funding for the Legacy Project. <p>Students:</p> <ul style="list-style-type: none"> • Enrolment planning and management to ensure that the number ratios tally with the national priorities (e.g. bigger growth in Education, Engineering and Health Sciences). • Targeted recruitment in order to attract larger numbers of students from the population groups currently underrepresented at SU. • Preferential residence placement for students who come from the population groups currently underrepresented at SU and who are at greater risk of not studying successfully as a result of the situation in which they received their schooling. • Further implementation of the multilingual teaching model in order to make the SU more accessible for students from the population groups currently underrepresented here. • Educational interpreting in order to make the SU more accessible by supporting classroom learning. |



| | |
|--|---|
| <p>Student success</p> <p>The University is doing extremely well with regard to student success in general, but it is essential that we should close the gaps between the success rates of the different race groups.</p> | <ul style="list-style-type: none"> • Further development of the First-year Academy. • Extension of technology-aided teaching. • Increase in the number of tutorships and mentorships. • Implementation of the commuter-service-and-cluster system for students who daily travel to the campus from elsewhere. • Promotion of student leadership by the Frederik van Zyl Leadership Institute. • Greater financial support for students from the population groups currently underrepresented at SU. |
| <p>Systemic sustainability</p> <p>Systemic sustainability involves institutional characteristics such as an environmentally friendly physical infrastructure, ecologically accountable operating practices, a sustainable budget and the most advanced information and communication systems.</p> | <ul style="list-style-type: none"> • Maintaining a balance between academic programmes (research, teaching, community interaction), people (staff and students) and facilities. • Encouraging sustained innovation and helping researchers to commercialise their intellectual property. • Following an agreed and well-developed budget methodology to ensure that the application of resources takes place in accordance with the strategic priorities of the University. • Maintaining and managing a strategic fund to realise the University's strategic objectives and the related business plans of its various internal environments. • Continuing to implement the Policy for Costing and Pricing of Research and Research-related Contracts. • Maintaining and developing physical facilities in the four types of environments on our campuses – workplace, learning place, residential place, living place. • Implementing and refining the Master Plan for all the properties and physical facilities of the University, the Mobility Plan (parking, commuter service and access control), the Student Accommodation Plan and the Catch-up Maintenance Plan. • Maintaining a balance in infrastructure and physical facilities between the University and the town of Stellenbosch. • Maintaining a balance with the natural environment. • Reorganising the Division for Information Technology, previously limited to the support of administrative functions, to include the support of learning and teaching processes and of research processes. • Establishing information technology structures for information management and corporate governance. • Replacing manual processes by electronic workflow processes. • Developing administrative information systems with a view to self-help services. |



2. Frederik van Zyl Slabbert Institute for Student Leadership Development (FVZS)

The first of its sort in South African higher education, the FVZS opened in 2011 to develop the life skills of students. The Institute is named after the former Chancellor, the late Dr Frederik van Zyl Slabbert (right), and honours a visionary free-thinker and principled leader.

At the Institute, the leadership, communication, conceptual and decision-making skills of students are developed. The teaching that is available at the Institute at present includes the following: advanced courses in mentorship; exchange programmes; short courses in community interaction; a symposium for school leaders; the training of students as agents of social change; a combined tennis and life skills programme; and courses to develop student entrepreneurs and hone their general leadership skills.



REPORT OF THE RECTOR and Vice-Chancellor (continued)


DIVERSITY OF THE SU STUDENT CORPS

In terms of a resolution by Council the University has set itself the following targets for the student corps by 2015:

- an increase in the undergraduate headcount enrolment of black, coloured and Indian students from 24% in 2009 to 33% by 2015 – that is, an average annual growth of 7,1%; and
- an increase in the total head-count enrolment of black, coloured and Indian students from 33% in 2009 to 40% by 2015 – that is, an average annual growth of 5,2%.

Table 3 shows the progress in terms of student diversity since 2007. The percentage of undergraduate black, coloured, and Indian students was 25,6% in 2011. This is 2,8 percentage points higher than the 22,8% of 2007. As regards the diversity profile of the student corps as a whole, it was 3,4 percentage points higher in 2011 than in 2007.

Table 3:
Enrolment of black, coloured and Indian students at Stellenbosch as a percentage of all enrolments, 2007–2011

| Faculty/Race | Black, Coloured and Indian students | | | | | | | | | |
|---|-------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | Undergraduates | | | | | All students | | | | |
| | 2007 | 2008 | 2009 | 2010 | 2011 | 2007 | 2008 | 2009 | 2010 | 2011 |
| AgriSciences | 13,4 | 16,9 | 17,7 | 18,3 | 19,1 | 17,5 | 20,4 | 21,3 | 21,1 | 22,5 |
| Arts and Social Sciences | 20,5 | 21,5 | 20,2 | 22,4 | 24,4 | 24,9 | 25,3 | 24,1 | 26,9 | 29,1 |
| Economic and Management Sciences | 17,7 | 17,9 | 16,9 | 17,3 | 17,3 | 30,0 | 29,6 | 30,2 | 30,4 | 30,2 |
| Education | 12,3 | 17,5 | 17,4 | 19,5 | 22,1 | 34,6 | 46,4 | 50,7 | 45,7 | 44,2 |
| Engineering | 11,9 | 12,3 | 13,2 | 13,8 | 15,3 | 13,6 | 14,2 | 15,0 | 15,7 | 17,2 |
| Health Sciences | 42,1 | 43,9 | 43,8 | 44,0 | 44,3 | 42,9 | 47,3 | 48,2 | 49,7 | 48,5 |
| Law | 21,4 | 22,5 | 22,8 | 24,2 | 29,9 | 19,2 | 20,9 | 23,2 | 24,5 | 24,5 |
| Military Science | 79,5 | 83,9 | 88,2 | 90,9 | 87,2 | 76,2 | 80,2 | 85,5 | 88,9 | 86,1 |
| Science | 26,6 | 29,1 | 30,4 | 31,5 | 32,1 | 28,8 | 31,1 | 32,0 | 33,5 | 33,9 |
| Theology | 29,0 | 26,2 | 25,4 | 25,6 | 32,9 | 44,5 | 40,5 | 43,5 | 44,9 | 45,1 |
| All enrolments | 14 789 | 15 219 | 15 869 | 16 524 | 17 051 | 23 439 | 24 686 | 26 243 | 27 694 | 28 193 |
| White | 77,2 | 76,1 | 76,3 | 75,5 | 74,4 | 70,5 | 68,7 | 67,6 | 67,1 | 67,1 |
| Black | 5,4 | 5,9 | 6,2 | 6,8 | 7,6 | 12,8 | 13,2 | 13,9 | 14,6 | 15,0 |
| Coloured | 15,9 | 16,6 | 16,0 | 16,2 | 16,4 | 14,7 | 16,1 | 16,5 | 16,3 | 15,8 |
| Indian | 1,5 | 1,4 | 1,5 | 1,5 | 1,6 | 2,0 | 2,0 | 1,9 | 2,0 | 2,1 |
|  | | | | | | | | | | |
| Black, Coloured, and Indian | 22,8 | 23,9 | 23,7 | 24,5 | 25,6 | 29,5 | 31,3 | 32,3 | 32,9 | 32,9 |

The progress in student diversity since 2007 is measured against Council's targets in Figure 1. From the trends over the past few years it is clear that the increase in the percentage of black, coloured and Indian students varies from year to year. The planned growth for 2010 was realised, but the target was not achieved in 2011. Council's target for 2015 will not be feasible, unless there is more drastic management intervention. It is to be hoped, therefore, that in the next few years measures such as the following will bear the desired fruit:

- the intensive recruitment efforts;
- stronger enrolment management to step up the enrolment numbers of black, coloured and Indian students;
- the broadening of multilingual undergraduate teaching by introducing parallel-medium instruction in some of the bigger faculties; and
- well-coordinated initiatives to make the campus culture even more inclusive.



Figure 1:
Undergraduate diversity profile measured against Council's target for 2015

% Black, coloured and Indian students

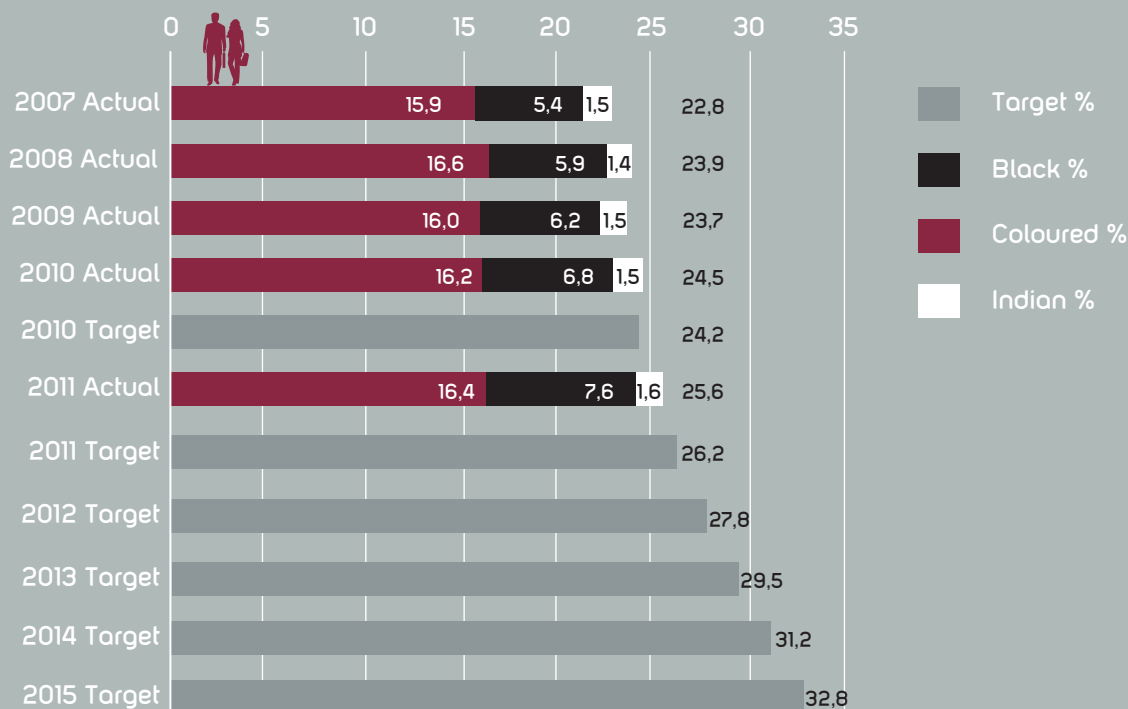


Table 4:
Number of undergraduate bursaries paid out by the Recruitment Bursary Project

| Faculty | Total offers made | Number of candidates that accepted offer |
|----------------------------------|-------------------|--|
| AgriSciences | 13 | 12 |
| Arts and Social Sciences | 86 | 82 |
| Economic and Management Sciences | 98 | 90 |
| Education | 26 | 23 |
| Engineering | 106 | 86 |
| Health Sciences | 134 | 124 |
| Law | 26 | 26 |
| Science | 48 | 44 |
| Theology | 4 | 4 |



3. Ukwanda Rural Clinical School

Our Faculty of Health Sciences is the first South African medical school to establish a rural clinical school. The Clinical School, with its headquarters at Worcester and branches at Ceres, Robertson, Caledon, Hermanus and Swellendam, will hopefully help to reduce the shortage of professional healthcare practitioners in rural areas by exposing students to the health needs of rural communities. Through their experiential learning, SU students under the supervision of local healthcare practitioners render service in hospitals, clinics, mobile clinics, schools, old-age homes and private residences. In 2011, the first eight student volunteers completed their final year of medical training at the Ukwanda Rural Clinical School under the supervision of family physicians and specialists from the local health facilities of the Department of Health and from SU. Dr Fortuin (right) was among the first eight Ukwanda graduates.



REPORT OF THE RECTOR and Vice-Chancellor (continued)

THE SU OBJECTIVES AS MEASURED AGAINST THE MINISTERIAL ENROLMENT AND EFFICIENCY TARGETS FOR 2013

In order to be able to achieve the performance monitoring and evaluation targets (PME targets) for 2013 that the Presidency had agreed to with the Minister of Higher Education and Training (DHET), the DHET undertook a comprehensive planning process during 2010 and 2011 in which all public higher education institutions were involved. In July 2011, the Minister communicated SU's enrolment and efficiency targets for 2013 to the Rector in an official letter. The table below shows how SU fared in 2011, measured against the ministerial targets.

Table 5: Ministerial enrolment and effectiveness targets for 2013

| | Ministerial target | SU in 2010 | SU in 2011 |
|---|---|------------|------------|
| Head count | 25 693 in 2009 to increase to 27 639 in 2013, annual increase of 1,8% between 2009 and 2013 | 27 344 | 27 266 |
| Full-time equivalent students | 20 668 in 2009 to increase to 21 806 in 2013, annual increase of 1,3% between 2009 and 2013 | 22 056 | 22 188 |
| Funded teaching input unit total for 2015/2016 | 65 800 | 68 121 | 68 534 |
| First-time entering undergraduates in 2013 | 4 489, average annual increase of 1,5% from 4 234 in 2009 | 4 599 | 4 535 |
| Major field of study in 2013: | | | |
| Science, engineering and technology | 45,1% | 44,2% | 45,6% |
| Business and management | 19,1% | 22,5% | 22,9% |
| Education | 5,4% | 5,9% | 5,9% |
| The humanities | 30,4% | 27,4% | 25,6% |
| Levels of study: | | | |
| Undergraduate | 59,3% in 2013 | 59,1% | 61% |
| Postgraduate below master's | 14,5% in 2013 | 14,5% | 13,6% |
| Master's | 18,6% in 2013 | 18,7% | 19,3% |
| Doctoral | 4,1% in 2013 | 4,1% | 4,5% |
| Occasional students | 3,5% in 2013 | 3,6% | 1,6% |
| Total graduates | To increase from 6 766 in 2009 to 7 570 in 2013 | 7 237 | 7 179 |
| Graduates in scarce skills: | | | |
| Engineering | 370 in 2013 | 275 | 382 |
| Life and physical sciences | 261 in 2013 | 349 | 439 |
| Animal and human health sciences | 327 in 2013 | 281 | 293 |
| Initial teacher education | 391 in 2013 | 399 | 375 |
| Graduates at different levels: | | | |
| Honours | 1 347 in 2013 | 1 259 | 1 244 |
| Research master's | 672 in 2013 | 613 | 615 |
| Doctoral | 192 in 2013 | 174 | 150 |
| SU proportion of contribution to national scarce skills graduate output: | | | |
| Engineering | 3,3% in 2014 | 3,13% | |
| Life and physical sciences | 4,8% in 2014 | 6,66% | |
| Animal and human health sciences | 3,3% in 2014 | 3,79% | |
| Initial teacher education | 2,7% in 2014 | 1,45% | |
| Targeted success rate | 84,5% in 2013, up from 83,8% in 2009 | 83,19% | 83,40% |



FINANCIAL OVERVIEW

The University's institutional planning and development framework creates the opportunity for an integrated planning process, enabling the University to engage in long-term financial planning while taking uncertainties, risks and opportunities into consideration. It is also due to this integrated planning process and the continued commitment of all role-players within the University to the realisation of its institutional aims within the context of the University's four strategic focuses that the University could complete the 2011 financial year successfully. This was possible despite uncertainties such as the volatility of international economies and the impact of these on exchange rates, third-stream income, and the pressure on the South African economy, as well as the likely impact of these on the affordability of student and accommodation fees.

One of the University's four strategic focuses is systemic sustainability, aimed at achieving a systemic balance between university activities (research, teaching, community interaction and support activities), people (staff and students), facilities (including buildings and other physical infrastructure) and the promotion of sustained innovation, with financial sustainability playing a key role in the planning of all activities.

Outstanding features for the year under review are:

- total income growth of 10,8% (15,7% in 2010) to R3 446 million;
- income growth from private donations, grants and research contracts of 11,5% (15,9% in 2010) to R991 million;
- increased funding for continually growing facility and equipment needs; and
- a total surplus of R538 million.

A total of R91 million of the above surplus consists of unrestricted Council funds over which Council has partial discretion. The balance of this surplus (approximately

R447 million) is attributable to restricted funds over which Council does not have discretion. The surplus of R91 million arose from the government subsidy budget and student fees and other smaller contributions, such as a percentage of the surcharge on third-stream income. The R91 million represents approximately 5,5% of the total income categorised as unrestricted funds. This surplus can inter alia be attributed to student fee income ahead of budget as a result of a higher-than-planned increase in student numbers, income from interest earnings, realised profits on the sale of investments as well as foreign exchange gains. Of the R91 million approximately R15 million is attributable to savings on expenditure in respect of institutional expenses such as municipal services and postage.

Furthermore, this is the result of among other things:

- conservative, integrated budgeting within a rolling six-year financial plan, including a contingency reserve for managing unforeseen events;
- excellent performance by researchers in recent years, which among other things resulted in a significant increase in the government's research subsidies (approximately R11 million in excess of that budgeted for 2011) and third-stream resources;
- the continued redesign and streamlining of operational processes to ensure greater costefficiencies, particularly as far as physical facilities are concerned; and
- the provision of strategic funds in support of new initiatives aimed at realising the vision and goals of the University.

The above successes provide a sound base for ongoing proactive financial planning, progress with clearing backlogs in providing and maintaining physical facilities, and the refinement of the financial model that serves the University's strategic goals and focuses.



4. SU Food Security Initiative (FSI)

The Stellenbosch University Food Security Initiative (FSI) is a comprehensive effort within the HOPE Project to eradicate endemic poverty and famine, especially in view of the facts that close on 14 million people in South Africa are faced with food insecurity and that 1,5 million children suffer from malnutrition (*Report to the Office of the President*, June 2007). The FSI has nine research projects that extend across different faculties: AgriSciences, Arts and Social Sciences, Engineering, and Health Sciences. The FSI also forms part of an international consortium for food security that is trying to place this problem on the global agenda. Through a variety of projects, the FSI is hoping to reduce food losses in the farm-to-table chain; improve crop production and water usage; equip small-scale farmers with appropriate new technologies; promote safe and nutritious food; understand the social, economic and political aspects of food insecurity; assess the impact of climate change on agriculture; and establish sustainable food systems. This initiative, with its multidisciplinary approach, is already making a significant difference to food security locally and in Africa.



REPORT OF THE RECTOR and Vice-Chancellor (continued)

REPORTING STANDARDS

On 29 August 2003 the Regulations for Annual Reporting by Higher Education Institutions were published in the Government Gazette by the Minister of Education, prescribing the accounting bases, practices and policies, as well as the reporting format. The consolidated annual financial statements have been compiled in accordance with the regulations. In terms of section 41(2) of the Higher Education Act, no. 101 of 1997 (as amended up to and including the Regulations for Annual Reporting by Higher Education Institutions dated 1 August 2007), universities are obliged to submit annual financial statements that comply with South African Standards of Generally Accepted Accounting Practice to the Department of Education. The University opted to apply International Financial Reporting Standards (IFRS). The date of transition was 1 January 2004. In terms of section 4(3)(b) of the Public Audit Act, no. 25 of 2004, the Auditor-General may audit any institution receiving public funding. The Auditor-General opted, however, not to perform the Stellenbosch University audit itself, but instructed the University's appointed external auditor, PricewaterhouseCoopers Inc., to attend to certain

additional instructions. These additional instructions include the audit of compliance with legislation applicable to financial affairs, financial management and other related matters, as well as the audit of performance against preset objectives, as agreed by the University and the Minister of Higher Education and Training. The only contracted objective with the Minister of Higher Education and Training for the year under review was the ministerial enrolment targets set out in Table 5 on page 18.

INCOME

Figure 2 shows the growth in the University's total income and income excluding profit on investments for the period 2007 to 2011.

The composition of the University's income per main component in terms of value and proportion is shown in Figure 3 and Table 6, with comparative figures for previous years.

Figure 2:
Total income, 2007–2011 (Rm)



Figure 3:
Total income per main component (R3 446m)

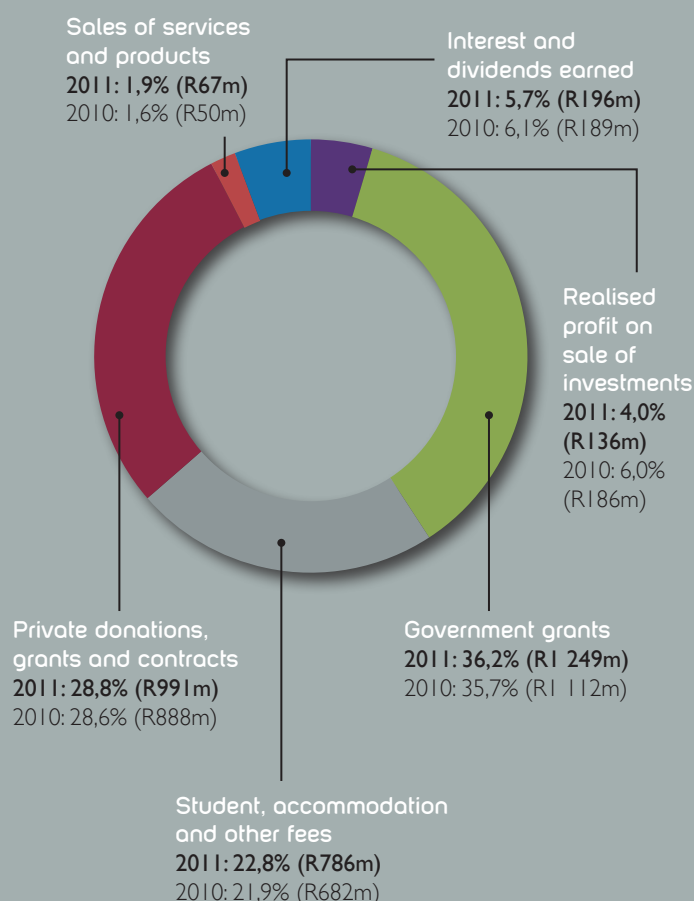




Table 6:
Growth and composition of income, total and per main component, 2007–2011

| | | 2007 | 2008 | In-crease/ (De-crease) 2007/ 2008 % | 2009 | In-crease/ (De-crease) 2008/ 2009 % | 2010 | In-crease/ (De-crease) 2009/ 2010 % | 2011 | In-crease/ (De-crease) 2010/ 2011 % |
|--|----|--------------|--------------|---|--------------|---|--------------|---|--------------|---|
| Total recurring income, of which: | Rm | 2 346 | 2 520 | 7,4 | 2 688 | 6,7 | 3 110 | 15,7 | 3 446 | 10,8 |
| Government grants | Rm | 730 | 846 | 15,8 | 955 | 12,9 | 1 112 | 16,4 | 1 249 | 12,3 |
| % of income | % | 31,1 | 33,6 | | 35,5 | | 35,7 | | 36,2 | |
| Student and other fees | Rm | 441 | 499 | 13,2 | 587 | 17,6 | 682 | 16,1 | 786 | 15,3 |
| % of income | % | 18,8 | 19,8 | | 21,8 | | 21,9 | | 22,8 | |
| Private donations, grants and contracts | Rm | 525 | 678 | 29,2 | 766 | 13,0 | 888 | 15,9 | 991 | 11,6 |
| % of income | % | 22,4 | 26,9 | | 28,5 | | 28,6 | | 28,8 | |
| Sales of services and products | Rm | 56 | 62 | 10,6 | 69 | 11,3 | 50 | (27,5) | 67 | 34,0 |
| % of income | % | 2,4 | 2,5 | | 2,5 | | 1,6 | | 1,9 | |
| Realised profit on sale of investments | Rm | 434 | 182 | (58,0) | 108 | (40,7) | 186 | 72,2 | 136 | (26,9) |
| % of income | % | 18,5 | 7,3 | | 4,0 | | 6,0 | | 4,0 | |
| Interest and dividends earned | Rm | 143 | 213 | 49,0 | 189 | (11,3) | 189 | - | 196 | 3,7 |
| % of income | % | 6,1 | 8,5 | | 7,0 | | 6,1 | | 5,7 | |

As shown in Table 6, total recurring income increased by 10,8% (2010: 15,7%) to R3 446 million (2010: R3 110 million). The increase in growth can mainly be attributed to all the main income streams growing in excess of 11%. Private donations, grants and contracts as a percentage of total recurring income has increased from 22,4% in 2007 to 28,8% in 2011, with government grants increasing from 31,1% to 36,2% in the same period. However, it is important to note that the first-mentioned has constituted approximately 28% of the total over the past three years. Given the uncertainties around subsidy income, it is important that the contribution from this income stream to the total income of the University is increased over time. Despite the University being able to show positive growth in profit realised on the sale of investments in 2010,

the negative growth of 2011 is reflective of increasing uncertainties in global markets in 2011.

The lower-percentage growth in private donations, grants and contracts in 2011 (11,6% compared with 15,9% in 2010) is mainly attributable to lower growth in income from research contracts of 4% in 2011, compared with 9% in 2010. However, donations increased by 19%, compared with a 6% decrease in 2010. This growth percentage can be attributed to the HOPE Project as well as the work of the University Development Office in conjunction with various University environments to raise funds for the University.

Furthermore Table 6 shows that growth in total recurring income was slightly lower in 2011 (10,8%), compared

REPORT OF THE RECTOR and Vice-Chancellor (continued)

with 15,7% in 2010, although this still exceeded the 6,7% increase of 2009. In nominal terms total income grew by 46,9%, from R2 346 million in 2007 to R3 446 million in 2011.

Student and other¹ fees increased by 15,3% since 2010. This growth is attributable to student numbers growing by 1,8% on average, a general student fee adjustment of 11% and a 14% adjustment in accommodation fees. In adjusting student and accommodation fees factors such as the recent rise in electricity costs, rates and taxes, and building costs in excess of the normal consumer price index (CPI) should also be taken into account. Despite this, the University still absorbs a large portion of the cost pressure of various services that unavoidably have to be bought in at price increases often exceeding the inflation rate.

Notwithstanding the government grant increasing, the percentage of increase in 2011 was lower than that of

2010. This grant is expected to continue to grow at a lower percentage or even to decrease, given the planning of two additional universities as well as uncertainties associated with the development of a new funding formula for higher education institutions. The government's Medium-term Expenditure Framework (MTEF) shows that the University's share of the national input subsidy to universities has decreased, while the output subsidy has increased and is reflective of the University's strategic goals of improving research and teaching outputs.

EXPENDITURE

Figure 4 shows total expenditure growth since 2007. The composition of the University's expenditure per main component in terms of value and proportion is shown in Figure 5 and Table 7, with comparative figures for previous years.

Foot note 1. Other fees include accommodation, membership and class notes fees, as well as other expenses that may be debited to student accounts, as approved by the Student Fees Committee.

Figure 4:
Total expenditure, 2007–2011 (Rm)

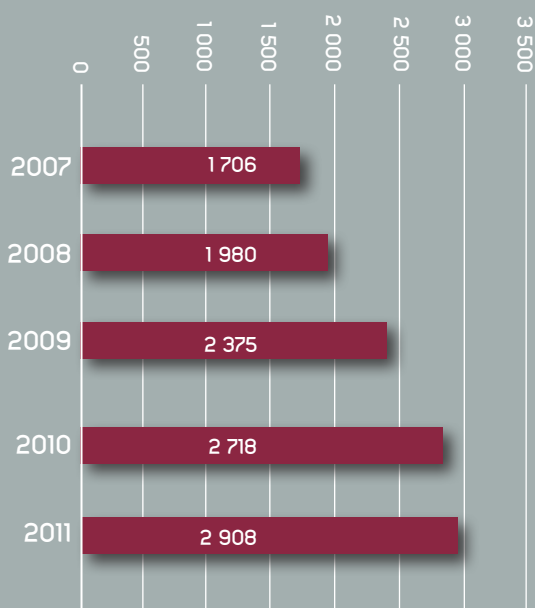


Figure 5:
Total expenditure per main component (R2 908m)

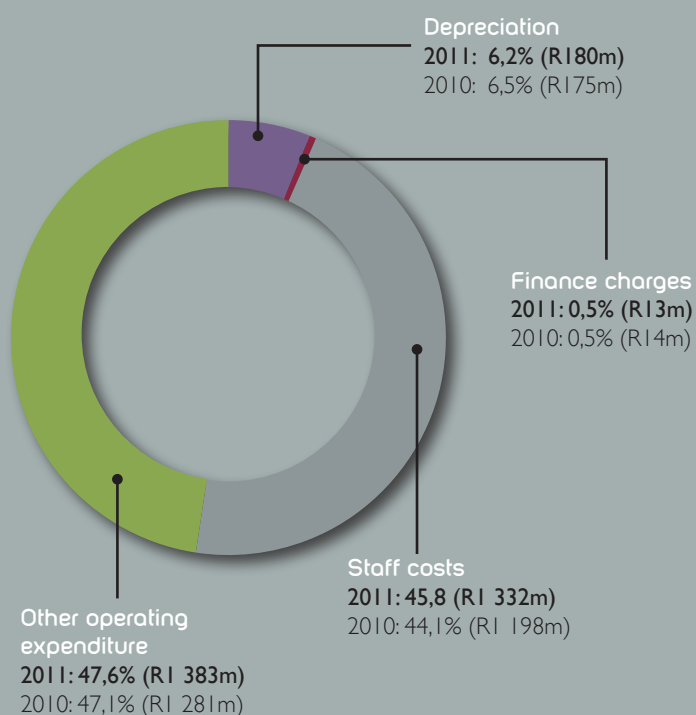
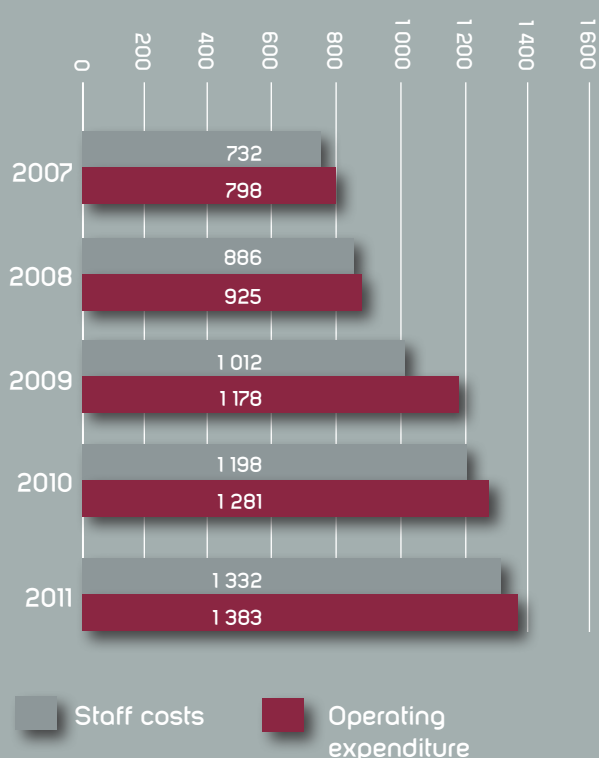




Table 7:
Growth of the total expenditure and staff costs, 2007–2011

| | | 2007 | 2008 | In-crease/ (De-crease) 2007/ 2008 % | 2009 | In-crease/ (De-crease) 2008/ 2009 % | 2010 | In-crease/ (De-crease) 2009/ 2010 % | 2011 | In-crease/ (De-crease) 2010/ 2011 % |
|--|----------|-------|-------|---|-------|---|-------|---|-------|---|
| Total recurring expenditure, of which: | Rm/ % | 1 706 | 1 980 | 16,1 | 2 375 | 19,9 | 2 718 | 14,4 | 2 908 | 7,0 |
| Staff costs | Rm/ % | 732 | 886 | 21,1 | 1 012 | 14,2 | 1 198 | 18,4 | 1 332 | 11,2 |
| % of expenditure | % | 42,9 | 44,7 | | 42,6 | | 44,1 | | 45,8 | |

Figure 6:
Comparison of staff costs with operating expenditure, 2007–2011 (Rm)



Total expenditure for 2011 rose by 7,0% (2010: 14,4%) to R2 908 million (2010: R2 718 million). The University's ongoing renewal of budgeting and operational processes are focused on improved cost-effectiveness and enhanced service delivery.

The smaller increase in expenditure is mainly attributable to the smaller increase in operational costs of 8,0% (2010: 8,7%), as well as lower growth of 11,2% in staff costs (2010: 18,4%). The smaller increase in all operating expenditure categories is among other things the result of processes over time, resulting in the University's activities being better aligned with its strategic goals, including the exercising of expenditure discipline to ensure financial sustainability. The increase in staff costs can inter alia be attributed to a 7,5% salary increase in 2011 for all qualifying staff and 6,5% growth in the number of full-time permanent staff. Further increases in staff costs can be attributed to an increase in payments to temporary staff, which relates to an increase in third-stream income.

AVAILABLE FUNDS

Stellenbosch University manages its funds to ensure that it continues as a going concern. Funds comprise restricted and unrestricted funds. Restricted funds comprise operating, loan, endowment and fixed-asset funds with specific terms of use. Unrestricted funds are those funds that may be used at the discretion of Council. The unrestricted funds relates to funds that are earmarked for specific purposes and that as such may not be utilised for purposes other than for which it has been earmarked. Examples include the University's Insurance Reserve Fund

REPORT OF THE RECTOR and Vice-Chancellor (continued)

that is governed by a separate regulation determining its use, as well as the University's Strategic Fund and the balance funds of environments that are earmarked for strategic and operating aims under approved environmental plans.

The net increase of R578,4 million in available funds from 2010 to 2011 represents a decrease of R343,8 million in unrestricted funds, an increase of R881,6 million in restricted funds and an increase of R40,3 million in the fair-value reserve. The increase in the fair-value reserve shows the increase in the value of the University's investments measured by fair market values at the last trading date of 2011, compared with the end of 2010. The fair-value reserve can be divided into R328,4 million attributable to unrestricted funds and R153,5 million attributable to restricted funds. Excluding fair-value adjustments and profit on the sale of investments, the net increase in available funds is R401,5 million.

The sharp decline in unrestricted funds can be attributed to the utilisation of unearmarked available funds for the HOPE Project, the maintenance project of the Health Sciences Faculty as well as the contribution to operating costs for

the Stellenbosch Institute for Advanced Study (STIAS), as made available by Council. Stellenbosch University's HOPE Project is the result of the formulation of a set of academic initiatives focusing on development themes covering among others the following subjects: the socio-economic rights of the needy in terms of our constitutional dispensation; the use of geographical information technologies for the development of Africa; renewable and sustainable energy provision to developing regions; food security in southern Africa; rural health and development; human dignity; and invasion biology and environmental sustainability. The Stellenbosch University Council approved an amount of R320 million for the financing of this project, with a large portion of this having been allocated as leveraging for the implementation of initially 21 initiatives of the respective faculties and support services. Not only do these initiatives focus on development themes, but the work undertaken also contributes to the generating of additional income, e.g. through new research contracts with a focus on the development themes, as well as increased research outputs in terms of publications and postgraduate students graduating.

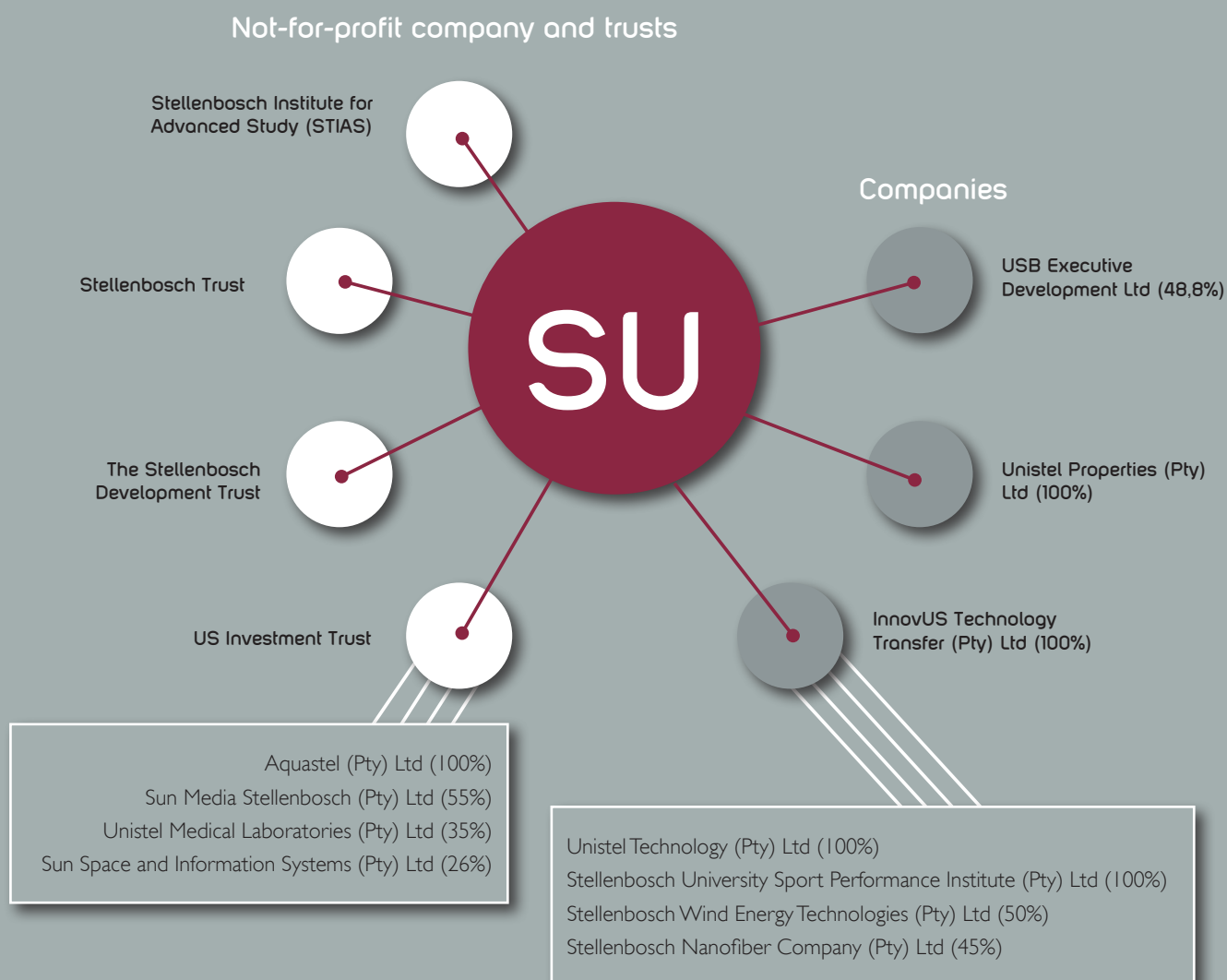
Table 8:
Available funds and long-term investment, 2007–2011

| | | 2007 | 2008 | In-crease/ (De-crease) 2007/ 2008 % | 2009 | In-crease/ (De-crease) 2008/ 2009 % | 2010 | In-crease/ (De-crease) 2009/ 2010 % | 2011 | In-crease/ (De-crease) 2010/ 2011 % |
|----------------------------|----------|-------|-------|---|-------|---|-------|---|-------|---|
| Available funds, of which: | Rm/ % | 6 149 | 6 166 | 0,3 | 6 736 | 9,2 | 7 227 | 7,3 | 7 805 | 8,0 |
| Long-term investments | Rm/ % | 2 646 | 2 399 | (9,3) | 2 883 | 20,2 | 3 217 | 11,6 | 3 492 | 8,6 |
| % of available funds | % | 43,0 | 38,9 | | 42,8 | | 44,5 | | 44,7 | |

The University's available funds and net asset value have increased and are financially sound, but certain risks need to be taken into account. Of the most important risks identified are the unknown impact of the expected change in the subsidy formula on the University's first-stream income, as well as the lagging maintenance of facilities and research equipment that could not be addressed properly to date, but has received greater priority in the 2012 budget. Further contributions in this regard are expected from the capital development campaign and focused development of the intellectual capital within the University's companies. The University will address these challenges through its strategic approach to financial planning and management.



Below is a diagram of Stellenbosch University's group structure:



5. Graduate School

The Graduate School, which is based in the Faculty of Arts and Social Sciences, coordinates research themes that focus on the development of Africa and administers the doctoral programmes and full-time doctoral bursaries. The School recruits doctoral students from the African continent, appoints supervisors and examiners, and monitors and evaluates relevant activities in order to ensure quality. The first cohort of 31 full-time doctoral students studying with bursaries were enrolled in 2010; 22 of them came from beyond South Africa's borders. The second cohort of 23 such students were enrolled in 2011; 20 of them came from beyond South Africa's borders.

REPORT OF THE RECTOR and Vice-Chancellor (continued)

At 31 December 2011 the University held the following investments in unlisted subsidiaries:

| | |
|--------------------------------|--|
| Name of company: | InnovUS Technology Transfer (Pty) Ltd |
| Nature of activities: | Commercialising of intellectual property and resources of Stellenbosch University for research, training and community interaction |
| Effective shareholding: | 100% |
| Book value of interest: | |
| - Shares | R1 000 |
| - Loan | R2 322 886 |

| | |
|--------------------------------|------------------------------|
| Name of company: | Unistel Properties (Pty) Ltd |
| Nature of activities: | Dormant |
| Effective shareholding: | 100% |
| Book value of interest: | |
| - Shares | R1 000 |
| - Loan | Nil |

At 31 December 2011 the consolidated financial statements included the following trusts and not-for-profit company:

| | |
|------------------------------|---|
| Name of trust: | Stellenbosch Trust |
| Nature of activities: | Fundraising and investment of endowment funds |
| Loan to trust: | Nil |

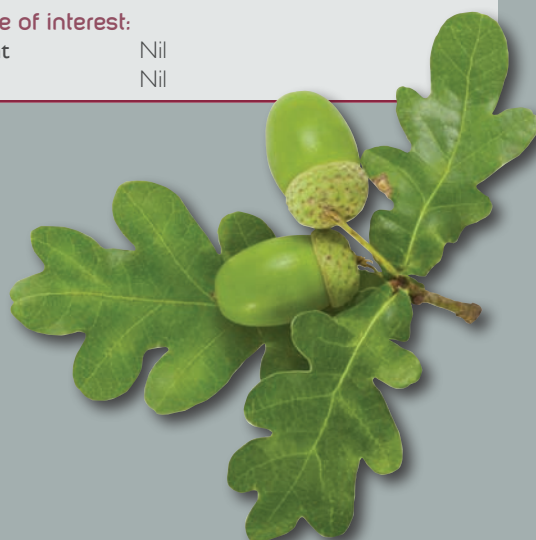
| | |
|------------------------------|---|
| Name of trust: | The Stellenbosch Development Trust |
| Nature of activities: | Investment in property for teaching and research activities |
| Loan to trust: | Nil |

| | |
|--------------------------------|---|
| Name of trust: | US Investment Trust |
| Nature of activities: | Application of the knowledge base of the University for investments benefiting the University's goals |
| Book value of interest: | |
| - Investment | R100 |
| - Loan | Nil |

| | |
|--------------------------------|---|
| Name of company: | Stellenbosch Institute for Advanced Study (STIAS) |
| Nature of activities: | Promotion of science and research |
| Book value of interest: | |
| - Investment | Nil |
| - Loan | Nil |

At 31 December 2011 the University held the following investments in an associate company:

| | |
|--------------------------------|---|
| Name of company: | USB Executive Development Ltd |
| Nature of activities: | Development and presentation of executive development programmes and provision of consultation services |
| Effective shareholding: | 48,8% |
| Book value of interest: | |
| - Investment | R7 149 000 |
| - Loan | Nil |



At 31 December 2011 the US Investment Trust, of which the University is the sole beneficiary, held the following investments in unlisted subsidiaries and associate companies:

| | |
|--------------------------------|-----------------------------------|
| Name of company: | Aquastel (Pty) Ltd |
| Nature of activities: | Exploiting aquaculture technology |
| Effective shareholding: | 100% |
| Book value of interest: | |
| - Investment | R1 000 |
| - Loan | Nil |

| | |
|--------------------------------|----------------------------------|
| Name of company: | Sun Media Stellenbosch (Pty) Ltd |
| Nature of activities: | Publishing and printing |
| Effective shareholding: | 55% |
| Book value of interest: | |
| - Investment | R1 000 |
| - Loan | Nil |



| | |
|---------------------------------|---|
| Name of company: | Sun Space and Information Systems (Pty) Ltd |
| Nature of activities: | Development and manufacture of microsatellites and satellite subsystems |
| Effective voting rights: | 26% |
| Book value of interest: | |
| - Investment | Nil |
| - Loan | Nil |

| | |
|---------------------------------|--|
| Name of company: | Unistel Medical Laboratories (Pty) Ltd |
| Nature of activities: | Provision of human and animal genetic, diagnostic and testing services |
| Effective voting rights: | 35% |
| Book value of interest: | |
| - Investment | R2 593 000 |
| - Loan | Nil |

At 31 December 2011 InnovUS Technology Transfer (Pty) Ltd, a wholly owned subsidiary of the University, held the following investments in unlisted subsidiaries:

| | |
|--------------------------------|--|
| Name of company: | Unistel Technology (Pty) Ltd |
| Nature of activities: | Exploiting the Hysucat® and Hysuwac® trademarks and water filter systems |
| Effective shareholding: | 100% |
| Book value of interest: | |
| - Investment | R1 000 |
| - Loan | R4 970 143 |

| | |
|--------------------------------|--|
| Name of company: | Stellenbosch University Sport Performance Institute (Pty) Ltd |
| Nature of activities: | Provision of sports-related services (commercialising of sport assets) |
| Effective shareholding: | 100% |
| Book value of interest: | |
| - Investment | R1 000 |
| - Loan | R5 484 000 |

InnovUS Technology Transfer (Pty) Ltd, a wholly owned subsidiary of the University, acquired the following investments in unlisted associate companies during the year:

| | |
|--------------------------------|--|
| Name of company: | Stellenbosch Nanofiber Company (Pty) Ltd |
| Nature of activities: | Commercialising of nanofibre technology |
| Effective shareholding: | 45% |

| | |
|--------------------------------|--|
| Name of company: | Stellenbosch Wind Energy Technologies (Pty) Ltd |
| Nature of activities: | Commercialising of wind energy generating technology |
| Effective shareholding: | 50% |

CONCLUSION

In 2011, the University Council decided to appoint me Rector and Vice-Chancellor of this excellent institution for another term. I wish to convey my sincere gratitude to the members of Council for putting confidence in my leadership and for supporting my vision of establishing Stellenbosch University as a world-class institution and a fully fledged 21st-century university.

Prof HR Botman
Rector and Vice-Chancellor



SENATE'S REPORT TO COUNCIL on Teaching, Research, Community Interaction and Operational Matters

In addition to the prescribed reports on teaching and research, a comprehensive report is also provided on the portfolios of the respective Vice-Rectors and the Executive Director: Operations and Finance.



Vice-Rector (Community Interaction and Personnel):
Prof Julian Smith

Vice-Rector (Teaching):
Prof Magda Fourie-Malherbe

Vice-Rector (Research):
Prof Arnold van Zyl

Executive Director: Operations and Finance:
Prof Leopoldt van Huyssteen

The Senate of Stellenbosch University consists of:

- the Rector and Vice-Chancellor (Chair);
- the three vice-rectors;
- the Executive Director: Operations and Finance;
- two members of Council (the Council Chair and one member elected by Council);
- the Registrar (Secretary);
- all the full professors of the University;
- all departmental chairs who are not full professors;
- five associate professors;
- four members of the Students' Representative Council;
- two members of the academic staff who are not professors or associate professors;
- two members of the administrative staff;
- two members of the technical staff;
- deans and vice-deans who are not full professors; and
- additional persons declared by Council to be members of Senate: the Chief Director: Strategic Initiatives and Human Resources; Chief Director: Facilities Management; Chief Director: Finance; Senior Director: Information Technology; Senior Director: Academic Support; Senior Director: Institutional Research and Planning; Senior

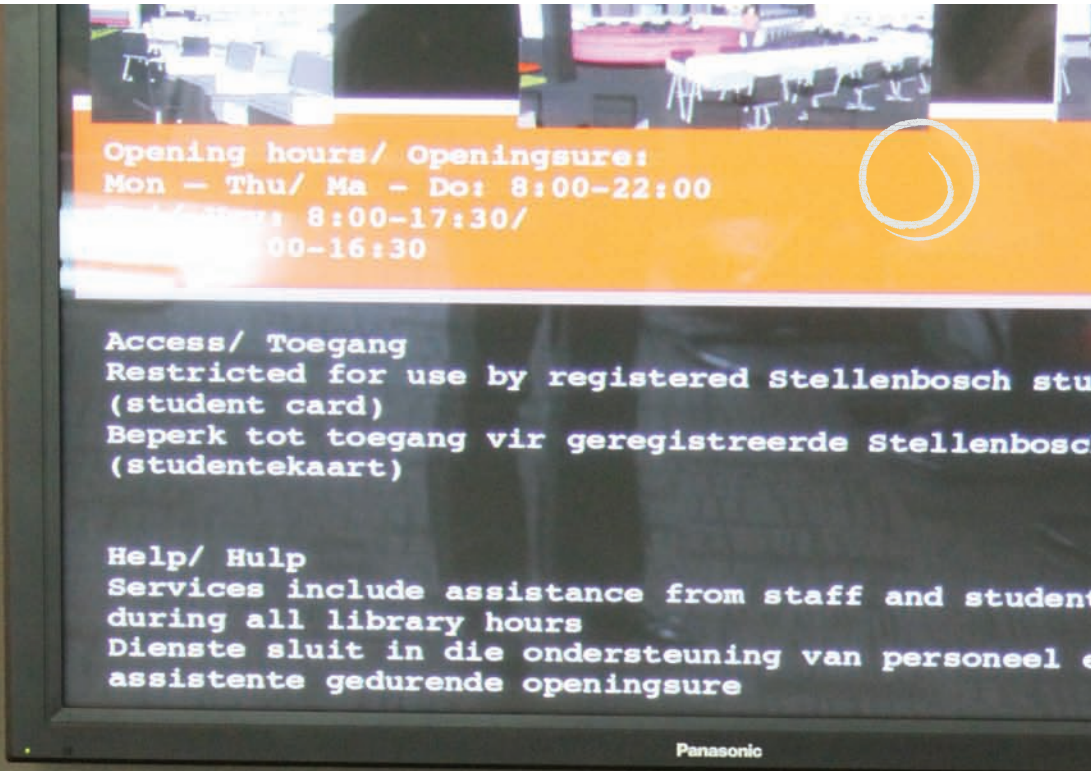
Director: Library and Information Services; Senior Director: Research; Dean of Students; Director: Centre for Teaching and Learning; and the Director: Postgraduate and International Office.

The following reports of the vice-rectors, executive director and deans give a full account of the activities of the academic and support service environments, demonstrating their influence on the University's strategic focuses and how they strengthen the University's progress with relevance and significance.

With my first term of office practically at an end, I would like to thank all the members of the executive management and Senate, other members of the academic staff and all staff in the support service environments for their dedication, enthusiastic participation and support.

A handwritten signature in black ink, reading 'HR Botman'.

Prof HR Botman
Rector and Vice-Chancellor



Opening hours/ Openingsure:
Mon – Thu/ Ma – Do: 8:00–22:00
Fri/Saterdag: 8:00–17:30/
Sondag: 08:00–16:30

Access/ Toegang

Restricted for use by registered Stellenbosch students
(student card)


Beperk tot toegang vir geregistreerde Stellenbosch
(studentekaart)

Help/ Hulp

Services include assistance from staff and students
during all library hours

Dienste sluit in die ondersteuning van personeel en
assistentie gedurende openingsure

Panasonic



Student success is one of the University's four primary focuses, and one of the cross-cutting objectives of its HOPE Project. Student communities world-wide are evolving and at Stellenbosch University we have started creating learning and living environments to suit the demands of the 21st century. The Learning Commons for undergraduate students and the Carnegie Research Commons for postgraduate students in the J S Gericke Library have been tailor-made to meet the needs of students at varying levels in their academic careers.

REPORT

of the Vice-Rector (Teaching)

STUDENT SUCCESS AS INSTITUTIONAL FOCUS

The Management Team has identified the promotion of student success as one of the University's four strategic focuses for the next five years. This strategic focus clearly belongs in the area of responsibility of the Vice-Rector (Teaching) (VR(T)), since teaching and learning are indeed central to students' academic success. However, a variety of factors beyond the formal teaching situation also influence student success, including: financial support; personal, study and career guidance; accommodation; social activities; transport; and safety.

Such factors provide the targets of the divisions in the line function of the VR(T). The report below on the work of these divisions during the past year is organised under four headings: students' in-class (curricular) experience; their out-of-class (extra-curricular) experience; administrative, financial and professional support for students; and the monitoring of student progress and success. Each heading points either directly or indirectly to a category of activities that is of particular importance to the realisation of student success.

IN-CLASS (CURRICULAR) EXPERIENCE

The ten faculties are directly responsible for our students' in-class experience – by providing teaching and opportunities for learning. (Please see the faculty reports for examples of achievements and renewal in teaching and learning.) However, several support service divisions also contribute in a multitude of indirect ways to the renewal and improvement of students' in-class experiences. For example, the Centre for Teaching and Learning (CTL), which aims its activities at overarching learning and teaching matters, makes such indirect contributions through activities such as:

- supporting lecturers with the aim of developing a culture of learning and teaching that promotes student success;
- promoting multilingualism and academic literacy;
- assisting the professional development of lecturers; and
- promoting the scholarship of teaching and learning.

CTL also contributes indirectly to students' in-class experience by being involved in the continuous renewal of lecturers' teaching and learning approaches and skills.

Furthermore, the Early Assessment System, an initiative of the First-year Academy (FYA), still succeeds in identifying potential at-risk students in specific subgroups of first-year students so that they can receive the necessary support in time. Extended degree programmes effectively help to broaden access to the University. Tutor training grows from

year to year, with much positive feedback from participating students. Student support appointments in nine faculties, which also form part of the FYA initiative, make an important contribution towards students' academic success. Through additional initiatives – such as identifying the characteristics of successful graduates, developing an excellent learning experience for first-year students, improving learning and teaching facilities and technology, and doing ongoing research on learning and teaching in higher education – as well as through the further development of a supportive and positive learning environment for lecturers, CTL has made an exceptional contribution towards developing dynamic staff members and successful students over the past year. Once role players such as the faculties, the Division for Information Technology and the student support divisions in ITTL (the IT in Teaching and Learning Forum) had been brought together, they reacted with searching discussions on, and better coordination of, the planning that is aimed at strengthening and extending the use of technology in teaching and learning.

Language, the medium of instruction, can also either promote or hamper a student's success. Therefore, prominent activities in the year under review were related to the faculties' further implementation of the multilingual teaching model and support for this from the University's Language Centre.

A provisional research report shows that the implementation of parallel medium instruction has contributed to student success in a number of faculties. In addition, the Faculty of Engineering experimented with educational interpreting as a means to promote students' language skills, specifically their receptive skills; they are planning to extend this in 2012. The Faculty of Arts and Social Sciences has successfully tackled the challenges posed by multilingual teaching by adding unilingual tutorials and seminar classes to its bilingual lectures, particularly in first-year teaching. The deans report that, for the most part, the language specifications are implemented consistently. Language use in the classroom is monitored properly by institutional structures, and established complaints procedures are in place. The number of complaints about language is very limited. By making a concerted effort to involve student bodies, such as the Academic Affairs Council (AAC), in the handling of language complaints, the University attempts to expand students' role in this process and to improve their satisfaction with the results.

The Language Centre also plays an important role in the language experience of students through its involvement in matters such as:



- educational interpreting in various faculties;
- proposals for guidelines for the development of multilingual learning material;
- language support to close on 2 800 students in credit-bearing language modules (language acquisition and academic literacy);
- writing consultations with approximately 3 800 students;
- more than 50 workshops for 1 200 postgraduate students;
- support for the development of writing-enriched modules;
- language services such as translation, interpreting and editing; and
- the development of an e-learning programme, *Dinklees met 'n plan: kursus in gevorderde taalvaardighede* (Think-reading with a plan: a course in advanced language skills).

CTL also plays an important role in this regard, since it is responsible for the student feedback system, which includes questions on language matters.

Of course, students' experience of the programme content is decisive for the degree of success that they achieve. In this regard the Division for Institutional Research and Planning (IRP) plays an important role by performing quality assurance and facilitating initiatives concerning programme and curriculum renewal.

OUT-OF-CLASS (EXTRA-CURRICULAR) EXPERIENCE

Several role players in the line function of the VR(T) helped to promote student success in the year under review thanks to the powerful influence of their activities on students' out-of-class experience.

The Centre for Student Communities (CSC) made progress with the strengthening of the cluster initiative during 2011. This initiative pursues the increasing integration of residence as well as private students in student communities as part of the out-of-class experience. At the same time, students' out-of-class experience is increasingly being integrated into the in-class experience. Among the successes for 2011 are undoubtedly the first Private Students' Organisation (PSO) "hub", which was completed in the amaMaties cluster; and the progress made with plans to add 650 beds in existing or new residences in 2012. Furthermore, CSC made progress with extending the mentor system to private students; a variety of innovative practices were tested. The ideal of keeping track of students' academic performance in their student communities received a big boost with the implementation of the Life-space Academic Performance System (LAPS), through which the academic performance of all students in the living-space context is monitored. The progress with values-driven management of the residences, the PSO wards and therefore also the clusters is evident from the successful annual conversations that were held with all student leaders; at the same time it is evident from the changes in welcoming practices and the sharper focus by

student leaders on the academic readiness of newcomers – two of the factors that led to the discontinuation of RAG (Reach Out and Give).

The activities of the Centre for Student Affairs (CSA) are focused largely on student success, but also entail the promotion of diversity and multiculturalism among students and the promotion and development of student leadership. The Centre focused on three main areas in 2011: student wellness and general support; community involvement; and leadership development, particularly through the agency of the Frederik van Zyl Slabbert Institute for Student Leadership Development (FVZS), which was launched officially in 2011 and has experienced an excellent first year (see page 15). Matie Community Service (*Matie Gemeenskapsdiens*, MGD) in general, particularly the One-stop Service, again made an extremely important contribution to students' participation in community interaction. The more than 40 projects registered with its One-stop Service offer students a variety of opportunities to be of service, especially in underprivileged communities and schools. A short course in community involvement, presented in collaboration with the FVZS, helped students to acquire a theoretical foundation for their community involvement. MGD again made excellent contributions in the spheres of adult education, entrepreneurship training, primary health care and supplementary Mathematics classes for Grade 15 learners, and continued to expose our students to a broader experience (than only academia).

The University also played a role in the preparation of learners for higher education – particularly by providing information during school visits, careers exhibitions and discussion sessions with advisors from the Centre for Prospective Students (CPS). Projects aimed specifically at the preparation of students include: Careers@Maties (a community service project that offers careers counselling to top students from previously disadvantaged schools); subject choice assessments for Grade 9s and career assessments for Grade 11s and 12s (at schools as well as individually at the CPS); and the First-generation Camp, which will be held for the first time in 2012. In addition, the CPS's overarching recruitment strategy is to promote excellence through diversity and to improve the quality of the pool of applicants through a variety of projects, for example: Maties on the Plain, Visit@Maties, Day in the Life of a Matie, the Recruitment Bursary Project, Rector's dinners with top achievers; and the Matriculant of the Year Competition. These types of initiatives naturally have a significant influence on the later academic success of registered students.

ADMINISTRATIVE, FINANCIAL AND PROFESSIONAL SUPPORT FOR STUDENTS

The Centre for Student Counselling and Development (CSCD) tangibly fulfilled the demand among students for professional support by providing counselling, psychological and career development services. The following statistics

REPORT OF THE VICE-RECTOR (Teaching) (continued)

reflect the use of these services: CSCD currently presents about 16 000 contact sessions for students every year; the number of students contacting the CSCD has increased by about 40% over the past 10 years. This increase was particularly marked in the past three years. Furthermore, increasingly serious matters are reported; therefore, CSCD is rendering a professional and essential stabilising service to the student community.

Administrative support comes particularly from the Division for Academic Administration (DAA). In 2011 the activities of the Client Services Centre were streamlined to provide a quicker and more effective service to students, parents and the general public. Financial support provided via undergraduate bursaries and loans, managed by the very effective Division for Bursaries and Loans (Undergraduate), comprised approximately R152 million of the R290 million that was spent on undergraduate bursaries in 2011. In addition, the accessibility and user friendliness of the Student Information System, which is reckoned among the best at South African universities, makes it easy to apply for admission, to register and to make enquiries about things such as examination results. All these factors contribute to effective and professional administrative support to our students and therefore, indirectly, to their academic success.

MONITORING OF STUDENT PROGRESS AND SUCCESS

The University continuously monitors the progress of its students by means of the tracking system, among other things, in order to timeously identify those who are struggling academically and need special support. The tracking system is currently being converted to a web-

based system so that academic managers will be able to take quicker, more effective decisions.

The systems for the monitoring of first-year retention and performance, the analysis of dropout statistics of first-year students and the analysis of undergraduate and postgraduate throughput rates are updated every year. LAPS was launched in 2011 as a comprehensive addition to the set of tracking websites. LAPS comprises a website for every living space (and every residence, too); therefore, all managers of a living space can monitor the undergraduate performance of the students concerned electronically.

The Tracking Unit uses a series of electronic questionnaires to compile student profiles that make it possible, among other things, to provide real-time assistance and to identify factors in relation to which intervention could intercept an obstructive effect on academic performance. The same profile data are used in research projects to build predictive models – the latest intelligent algorithms are used to determine to which extent the performance of students is predictable on the basis of their profile data. Furthermore, the prediction variables or constructs of international experts are tested, for example within the Grit Project, to determine to which extent they predict local academic performance.

In addition, IRP is responsible for the provision of institutional information that can guide strategic management decisions. An IRP-developed system of enrolment planning and management (based on pass rates and throughput rates, among other things), is used to determine the number of students and associated demands on things such as human capacity and infrastructure that produce the optimal teaching and learning circumstances for student success.



6. African Doctoral Academy (ADA)

This initiative, which is linked to the Graduate School, offers research training and support of a high quality both to current and prospective doctoral students and to academics who have to supervise and manage postgraduate students. In this way, the ADA seeks to help produce world-quality doctoral graduates. In addition to training courses for prospective and current doctoral students in theories, methodology and scholarship, the ADA offers certificate courses for academic staff involved in the management and supervision of postgraduate study and research. Through its winter and summer schools, the ADA every year trains about 200 doctoral students in research methods, and between 100 and 120 doctoral supervisors benefit each year from the structured workshops on doctoral supervision. Together with PANGeA and the Graduate School, the ADA represents a threefold strategy to promote scholarship and research on the continent and thereby counteract the loss of expertise on the continent.





NUMBER OF STUDENTS IN DIFFERENT FIELDS OF STUDY AND AT DIFFERENT LEVELS, 2011

| Levels per faculty | Number of students | Levels per faculty | Number of students |
|---|--------------------|-------------------------|--------------------|
| Agrisciences | 1 545 | Health Sciences | 3 820 |
| Undergraduate students | 1 135 | Undergraduate students | 1 881 |
| Postgraduate students | 376 | Postgraduate students | 1 631 |
| Special students | 34 | Special students | 308 |
| Arts and Social Sciences | 5 247 | Law | 825 |
| Undergraduate students | 3 363 | Undergraduate students | 411 |
| Postgraduate students | 1 529 | Postgraduate students | 401 |
| Special students | 355 | Special students | 13 |
| Economic and Management Sciences | 7 836 | Military Science | 447 |
| Undergraduate students | 4 411 | Undergraduate students | 376 |
| Postgraduate students | 3 237 | Postgraduate students | 69 |
| Special students | 188 | Special students | 2 |
| Education | 1 853 | Science | 2 989 |
| Undergraduate students | 815 | Undergraduate students | 2 135 |
| Postgraduate students | 1 011 | Postgraduate students | 759 |
| Special students | 27 | Special students | 95 |
| Engineering | 3 137 | Theology | 494 |
| Undergraduate students | 2 384 | Undergraduate students | 140 |
| Postgraduate students | 692 | Postgraduate students | 338 |
| Special students | 61 | Special students | 16 |
| Total | | 28 193 | |

COMPOSITION AND SIZE OF STUDENT CORPS BY GENDER, 2011

| Gender | Number of students |
|--------------|--------------------|
| Female | 14 317 |
| Male | 13 876 |
| Total | 28 193 |

COMPOSITION AND SIZE OF STUDENT CORPS BY RACE, 2011

| Race | Number of students |
|--------------|--------------------|
| Black | 4 233 |
| Coloured | 4 454 |
| Indian | 591 |
| White | 18 915 |
| Total | 28 193 |

QUALIFICATIONS AWARDED BY TYPE, 2011

| Type of qualification | Number awarded |
|---|----------------|
| Undergraduate diplomas and certificates | 79 |
| General first bachelor's degrees | 2 154 |
| Professional first bachelor's degrees | 1 139 |
| Postgraduate diplomas and certificates | 1 188 |
| Postgraduate bachelor's degrees | 81 |
| Honours degrees | 1 266 |
| Master's degrees | 1 295 |
| Doctoral degrees | 150 |
| Total | 7 352 |

REPORT OF THE VICE-RECTOR (Teaching) (continued)

COMPOSITION AND SIZE OF STUDENT CORPS BY HOME LANGUAGE, 2011

| Home language | Number of students |
|-----------------------------|--------------------|
| Afrikaans | 13 502 |
| English | 10 463 |
| Afrikaans/English | 1 267 |
| Xhosa | 708 |
| Other official SA languages | 1 121 |
| Other languages | 1 132 |
| Total | 28 193 |

COMPOSITION AND SIZE OF STUDENT CORPS BY GEOGRAPHIC ORIGIN, 2011

| Geographic origin | Number of students | Percentage |
|------------------------|--------------------|--------------|
| South-Africa | 25 693 | 91,1% |
| Western Cape | 17 799 | 63,1% |
| Northern Cape | 689 | 2,4% |
| Eastern Cape | 1 610 | 5,7% |
| Free State | 429 | 1,5% |
| KwaZulu-Natal | 1 338 | 4,7% |
| Mpumalanga | 478 | 1,7% |
| Limpopo | 383 | 1,4% |
| Gauteng | 2 756 | 9,8% |
| North West | 211 | 0,7% |
| Other countries | 2 500 | 8,9% |
| Botswana | 105 | 0,4% |
| Lesotho | 47 | 0,2% |
| Namibia | 777 | 2,8% |
| Swaziland | 58 | 0,2% |
| Zimbabwe | 190 | 0,7% |
| Elsewhere | 1 323 | 4,7% |
| Total | 28 193 | 100% |



7. PANGeA

The Faculty of Arts and Social Sciences, in partnership with five universities elsewhere in Africa, formally launched the Partnership for Africa's Next Generation of Academics (PANGeA) in 2011. PANGeA aims to stop the brain drain from Africa and reverse the decline in expertise on the continent by developing the next generation of African academics. To strengthen higher education in Africa, PANGeA creates opportunities for cooperative research and knowledge exchange between peer institutions, for methodological development, for full-time doctoral study and for the establishment, in the long run, of joint doctoral degree programmes.





REPORT

of the Vice-Rector (Research)

Stellenbosch University (SU) has set itself the vision to be established as a leading research-intensive university on the African continent by pursuing excellence and remaining at the forefront of its chosen research focal areas, by gaining national and international standing on the basis of its research outputs, by being relevant to the needs of the community, and by being enterprising, innovative and self-renewing.

In 2011, the official 2010 research output data received from the Department of Higher Education and Training (DHET) again confirmed SU's standing as the most research-productive academic institution at the national level. The weighted research output per SU staff member (publications and postgraduate students) was 2,37 the highest of all universities in the country for the third year running. There has been a further shift towards publication in international journals, with 72,5% of our accredited journal articles published in international journals. The amount in DHET subsidy on books and chapters in books, and on conference proceedings received by the University increased by 25,5% and 24,5% respectively from 2005 to 2010.

Significant contributions to the four institutional focuses have been made through the provision of professional support services to the University's research community by the Division for Research Development (DRD), the Library and Information Services (LIS), and the Postgraduate and International Office (PGIO).

RETENTION AND BROADENING OF OUR INSTITUTIONAL KNOWLEDGE BASE

The centre of responsibility's main contributions to this focus include:

- the development and management of research partnerships with industry and government;
- the building of international academic networks; and
- facilitating access to resources to support research and postgraduate training.

These contributions are of course also inextricably linked to the institutional focus on sustainability and student success particularly at postgraduate level.

The DRD is responsible for the management of all research and research-related contracts, as well as formal partnerships with national government agencies and the science councils. A total number of 650 new research contracts were processed in 2011. The research contracts signed in 2011 amounts to a total monetary value of R465

million, with several contracts still in negotiation to be finalised soon. Through THRIP (the Technology and Human Resources for Industry Programme) our partnerships with industry were further strengthened through the submission of 42 THRIP funding applications from SU, resulting in a submission success rate of 98% and additional funding of R16,5 million awarded to SU.

The DRD also facilitated the submission of 14 new proposals for European Union (EU) funding – a competitive funding programme which requires strong international research partnerships. The total number of successful EU proposals involving Stellenbosch University researchers in 2011 was 27, representing a total grant income of ca €5,3 million. The DRD also played a key role in the submission to the National Research Foundation (NRF) of 47 proposals in response to the call for 62 new SARChI chairs at national level, of which the outcome is pending. It also facilitated the submission of four proposals to the Department of Science and Technology's (DST) Global Change, Sustainability and Society (GCSS) call in 2011, of which three were successful, totalling a grant income of ca R15 million over the next three years.

The retention and expansion of our knowledge base also depends on building on our reputation as a research partner of choice. The annual institutional research report, *Research@Stellenbosch*, as well as a video compiled by the DRD on research at SU, received excellence awards at the 2011 MACE (Marketing, Advancement and Communication in Education) conference. The DRD also played a key role in the successful co-hosting, with the University of Cape Town and the University of the Western Cape, of the DST Minister's budget speech dinner in 2011.

The Postgraduate and International Office (PGIO) supports international staff and student mobility. The Confucius Institute at Stellenbosch University also forms part of the PGIO and saw the appointment of a new Director this year and the expansion of its activities, which are focussed on promoting Chinese language and culture in the broader Stellenbosch community in collaboration with the University's Schools Partnership Initiative.

Joint and double degree programmes were expanded to the master's level. A double degree in German offered by the University of Leipzig and Stellenbosch University saw its first intake of students, and further joint PhDs were approved or are in the pipeline. Outgoing student mobility was increased, with postgraduate participation outnumbering undergraduate participation. Stellenbosch was part of three Erasmus Mundus Action 2 programmes in the first award cycle for postgraduate scholarships to

REPORT OF THE VICE-RECTOR (Research) (continued)

South African students. These programmes were Sapient (coordinated by Radboud University, Nijmegen), ema2sa (coordinated by KU Leuven) and EUROSA (coordinated by the University of Antwerp).

Forty-three Stellenbosch University students attended 12 different summer schools globally, of which the AC 21 Student Forum, the Lott Summer Fellows Institute (University of Mississippi) and the Natural Science Summer School (University of Hohenheim) were new additions to the menu. Locally, the Global Citizenship project was launched to enhance awareness about internationalisation in higher education and the possibilities for study abroad amongst local students. New exchange agreements focused on partnerships with institutions in the USA and Asia. Seven tailor-made international programmes served 100 visiting students from various institutions, among them two new programmes for Rensselaer Polytechnic Institute and the University of Warwick, in close collaboration with the Faculty of Engineering and the Division for Community Interaction respectively.

The PGIO facilitated an application for funding for the Transdisciplinary Training for Resource Efficiency and Climate Change Adaptation in Africa (TRECCAfrica) consortium (see page 79). The application was successful and sees the establishment of a major new African network in which Stellenbosch University is the leading institution. TRECCAfrica is a European Union intra-ACP (Africa, Caribbean and Pacific) academic mobility programme that creates a framework for postgraduate study opportunities for 72 postgraduate students, as well as active academic collaboration addressing climate change and resource depletion in Africa. Both the DRD and PGIO have played instrumental roles in the USAID-funded Peripri U, the Partners Enhancing Resilience to People Exposed to Risks network, creating a platform for university partnership to reduce disaster risks in Africa, with a special focus on advancing university action on the reduction of risk and vulnerability (see page 66).

The Library and Information Services (LIS) has successfully established the new Research Commons in the JS Gericke library, in support of the institutional academic endeavour, and in particular collaborative and postgraduate research. This world-class facility was officially opened in May, and named as the Carnegie Research Commons in November 2011. The naming ceremony also celebrated the University's century-long relationship with the Carnegie Corporation of New York. Several search strategy and author workshops were presented through the LIS, within the ambit of an existing Stellenbosch University/Elsevier partnership aimed at promoting research outputs and postgraduate training.

At the heart of the LIS's service is its aim to acquire resources and tools to grow, sustain and manage research output at the institution. The number of electronic journals in the collection increased from 51 100 titles to 60 900.

Electronic books increased from 7 600 titles to 8 900.

The Elsevier partnership has provided the University with online content and events to promote quality scholarship at the institution. In May, participants attended *The changing landscape of academic research and publishing* workshop to discuss trends in academic research and how to publish in international journals. In July the Library hosted a Research Performance Evaluation workshop to explore and benchmark the University's research strengths.

The LIS hosted an open access seminar in October. Eleven open access journal titles were launched that will be published via the SUNJournals project. In keeping with the principle of openly sharing the University's research output, the Library has exponentially grown its institutional repository, SUNScholar. The repository now has almost 16 000 items. Earlier this year the Library applied for and was granted funding from the University's Strategic Fund to develop an Open Access Fund for the institution. This Fund is used to support Stellenbosch University researchers publishing in open access journals.

DIVERSITY OF STAFF AND STUDENTS

In close collaboration with the faculties, the new Mellon Early Research Career (MERC) development programme was launched by the DRD in 2011, formally linking up 60 young researchers with experienced research mentors. The aim of this programme is the development of a next generation of research-productive academics, which will be more representative of our country's demography. A successful suite of skills-development workshops and symposia were also offered by the DRD, PGIO and LIS, focusing on the development of generic research skills for postdoctoral fellows and academic staff, which will also contribute to the rejuvenation and diversification of our researcher corps.

STUDENT SUCCESS

Initiatives undertaken in 2011 by the PGIO and LIS strongly supported student success, across the full student spectrum (in the case of the LIS), but also in particular at postgraduate student level, which is the dedicated focus of the PGIO.

Through the PGIO, the postgraduate portal (*Stellenbosch Postgrad*) was officially launched in 2011, and the website for prospective postgraduate students has added value to and simplified the postgraduate student application process. Postgraduate skills development courses and interventions were placed within a coordinated postgraduate development plan called *on.track*. Through this plan, postgraduate students are gaining access to an unprecedented offering of courses, seminars and workshops that are generically focussed on the core skills required to successfully complete a research degree.

The Postgraduate and International Student Funding (PGISF) office in PGIO administers departmental and



private bursaries, scholarships from national funding bodies (e.g. the NRF and the CSIR) and substantial scholarships from the HB Thom Trust, the Harry Crossley Trust and the Wilhelm Frank Trust. A total of R14,2 million was awarded to postgraduate students from central University funds, of which R5,3 million was awarded as support scholarships based on financial need.

The LIS has officially launched the Learning Commons, developed to support student-centred learning, as a HOPE Project initiative on 16 February 2011 (see page 9). Since becoming operational, the Learning Commons has proven itself to be a resounding success, with thousands of students visiting the facility. The Research Commons, opened in May, provides dedicated space for postgraduate students. The availability of these areas makes an important contribution to the success of both undergraduate and postgraduate students. Complementing the investments that were made with the construction of the Learning and Research Commons, excellent progress was made with the further development of information literacy programmes by the LIS, aimed at increasing the student throughput rates and research outputs. A total of 160 training sessions were conducted during 2011, attended by 4 072 students. A successful postgraduate training programme was also developed.

SYSTEMIC SUSTAINABILITY

In addition to several aspects related to sustainability already reported above, the centre of responsibility has made a number of contributions in support of systemic institutional sustainability. In collaboration with the Finance Division, the DRD facilitated successful audits by USAID and NUFFIC, allowing direct research grant funding to the University by these funding agencies in the future. The two divisions also jointly played a leading role in the national discussion on the implementation of the full costing of research projects.

An institutional research integrity officer (RIO) was appointed by the DRD in 2011. This post will strengthen the Division's mandate to promote and advocate responsible and ethical research practices, which are vital to the sustainability of the institutional research endeavour. An institutional procedure for the investigation of research misconduct was approved by the SU Senate and Council in order to address potential research-related reputational and financial risks.



8. Institute for Mathematics and Science Teaching

The Institute for Mathematics and Science Teaching (IMSTUS), which was established in 1977, was included formally as a hope-creating initiative of the HOPE Project in 2011. IMSTUS runs an extremely successful bridging programme, SciMathUS. A structured programme, this offers 100 matriculants from previously disadvantaged schools who do not meet the requirements for higher education, but nevertheless show potential, a chance to improve their Grade 12 marks in Mathematics and either Physical Sciences or Accounting. By providing a year of intensive teaching, the programme creates the opportunity for students to gain access to the University. In the programme, presented in both English and Afrikaans, the students also acquire other skills – such as life skills, study and thinking skills, computer literacy and academic language skills. The programme boasts a pass rate of 100% and to date has produced more than 600 graduates. Many of them have become doctors, physiotherapists, engineers, teachers, bookkeepers or fund managers.



REPORT of the Vice-Rector (Community Interaction and Personnel)

As the institutional vision is developed and refined, and as the implementation of actions that are aimed at its realisation progresses, the demands on the respective executive portfolios become increasingly severe. The portfolio under discussion is no exception and the year under review again required suppleness and innovation in order for it to play an appropriate enabling and value-adding role.

In general, the business plan of this centre of responsibility for 2011 was aimed at supporting the institutional vision, objectives and strategy in an innovative and cost-effective manner. While key concepts, such as the Millennium Development Goals, excellence, accessibility and success, still charted the course, express attention was paid to a contribution being made by the centre of responsibility to the promotion of the four institutional strategic focuses, namely student success, diversity, knowledge base and sustainability.

In 2007 the origin of the centre of responsibility, in its current shape and with its present name, joined together diverse environments and responsibilities in this centre with potentially crucial contributions from the environments responsible for community interaction, human resource management and sport. Community interaction has been acknowledged and established as a fully fledged academic core function, while human resource management has made considerable progress, particularly with regard to staff wellness and staff training and development. Remuneration and performance management, as well as mechanisms for incentive and acknowledgement, likewise received considerably more attention. In the latest development in human resource management, the employment equity function was incorporated into the Division for Strategic Initiatives and Human Resources, and a recruitment system is now being established. On the sport front, the implementation of the Sport Plan was continued, with the commercialisation of the sport assets remaining a key component. In addition, supporting (enabling) contributions are possible from the divisions for Legal Services (a recent addition to the portfolio), Campus Health Services (which stems from the expansion of the Student Health Service), Institutional HIV Coordination, and Corporate Entities (based on a management model to optimise the entities).

The centre of responsibility in its totality therefore lends itself well to making a contribution to the four focuses that form the incentives for sustainability. Below, reference is made in detail to three divisions, namely Community Interaction, Strategic Initiatives and Human Resources and Maties Sport, followed by brief references to the rest.

COMMUNITY INTERACTION (CI)

The Division for Community Interaction remains a small unit, but is undoubtedly one with a growing impact. Besides the many opportunities for academic work created for students and lecturers, a valuable role was also played by this Division by way of discerning partnership management. At the higher level, 'primary' partnerships with government departments were managed to the benefit of the faculties specifically and the University in general, in collaboration with the respective deans.

With regard to the Department of Defence, the sustainability of the partnership has been under immense pressure in recent years. Initiatives were undertaken by the centre of responsibility that contributed considerably to an improvement in the relationships and to the sustainability of the partnership. In this process, the knowledge base, which had become considerably diluted over time, is gradually being built up again, although not yet to the extent and level that is typical of Stellenbosch University. This has led to closer collaboration between the Dean of the Faculty of Military Science, the Commander of the Military Academy, the Vice-Rector (Teaching) and the Vice-Rector (Research).

Similarly, support for and cooperation with the Dean of the Faculty of Health Sciences contribute to the sustainability of the Faculty and the extension of the knowledge base by ensuring appropriate management inputs in the partnership with the provincial Department of Health. Critical aspects, such as the Occupation-specific Dispensation and the Joint Agreement, were managed in consultation with the other universities in the region and the Department of Health. The management of the primary church and agricultural partnerships (that pertain to the Faculties of Theology and AgriSciences) led to a similar, but smaller, benefit with regard to sustainability and expertise.

'Secondary partnerships', such as those that arise as a result of memoranda of understanding, contributed largely to the creation of academic opportunities and sometimes also opportunities to generate third-stream income. Furthermore, a significant contribution was made to improving the reputation of the University as a relevant and community-sensitive institution that contributes to sustainability and the application of the knowledge base. Two new memoranda of understanding were added to the existing ones in the year under review, one with the Drakenstein Municipality and one with the Hessequa Municipality.

The foundation has now been laid in full to implement the entire schools partnership project (Stellenbosch



University Schools Interaction), after consultations, planning and experimentation over a number of years. The objectives that underlie the project are characteristic of the contribution to the institutional focuses of student success, diversity and sustainability. Specific objectives that were pursued are:

- to help increase the percentage of undergraduate black, coloured and Indian students to 34% by 2015;
- to increase the number of learners who take Mathematics and Physical Sciences at high school;
- to help improve literacy levels in primary and high schools; and
- to strengthen professional development networks between the two school levels.

A significant contribution was also made to the expansion of the knowledge base with regard to community interaction by presenting and facilitating, as well as participating in, local and national workshops and short courses, and by publishing research articles.

The contribution of CI to the promotion of racial diversity potentially is very big, since the interaction takes place primarily with communities that were previously excluded from the knowledge benefits offered by the University. In addition to opportunities that were created, the credibility and image of the University were extended significantly, which is beneficial to recruitment actions, among other things. Interesting possibilities with regard to Science meets Society have already gained shape in collaboration with the Division for Research Development. Furthermore, not only is racial diversity promoted, but also a diversity of ideas in the spaces that are now being unlocked for academic work. A category of such spaces that is busy gaining shape is the so-called rural platforms, which are a particular example of this.

HUMAN RESOURCES

The Division for Strategic Initiatives and Human Resources offers a crucial enabling support service environment as a result of the impact of the role, function and services it provides. The establishment and maintenance of a knowledgeable, stable and loyal staff corps is of considerable importance in relation to all four institutional focuses.

While the routine human resources activities and processes were continued very effectively in the year under review, a great deal of emphasis was placed on the planning of strategic interventions. This was done with a view to attuning the activities and processes more precisely to the four institutional focuses in order to help ensure the systemic sustainability of the University, both strategically and operationally. During 2011 the Division made considerable progress in all facets of its systemic human resource management services, which ensured decentralised service provision in the respective University

environments. However, there were important strategic and operational additions that had to be made to ensure that the University can achieve its aims with regard to staff in the respective strategic focuses of the University by 2016.

There are a number of considerations that make strategic recruitment a priority, one of which is the necessity to diversify the SU staff corps at the senior levels. A second important consideration is the necessity to retain the University's knowledge base and to acquire scarce skills – viewed against the background that the SU will lose a number of senior academics and support service staff in the next five years due to routine retirements. It is against this background that planning was completed to supplement the traditional recruitment action of advertising in the media with appropriate strategic recruitment actions, particularly at post levels 2 to 5.

Furthermore, planning has been completed for the introduction of both a formalised mentorship programme and the use of professional coaches for certain senior members of staff. A further contribution to staff success and consequently to staff sustainability can be made in this way. This approach also builds on the principle that already applies to the Legacy Programme, namely that mentor support is a prerequisite for appointments aimed at achieving the University's diversity objectives.

The principle of demanding staff plans was again proven in 2011 to be an important management instrument that makes a fundamental contribution to the realisation of the University's Vision and its four strategic focuses. The plans appeared to contain essential information that could be used particularly to ensure that the limited space for movement that is created through retirements and normal resignations can be utilised optimally for the achievement of the University's staff objectives. The use and monitoring of staff plans were therefore consolidated during 2011 into an indispensable instrument with which to pursue the University's objectives.

SPORT

With the focus of the Division for Maties Sport on the promotion and development of sport and sport opportunities for students and staff of the University and for its community, the Division is positioned well to contribute to all four focuses. A significant contribution is already being made to the diversification of the student profile by several of the twenty-eight sport codes, among other things as a result of recruitment. The University remains sought after as a result of its sport offering and sport achievements, and this supports financial sustainability. Furthermore, the extension of the knowledge base is promoted through the objectives and initiatives of the four sport-related units (Department of Sport Science; Centre for Human Performance Science; Maties Sport; and the Stellenbosch University Sport Performance Institute (SUSPI)).

REPORT OF THE VICE-RECTOR

(Community Interaction and Personnel) (continued)

Maties Sport, which aims to ensure an excellent University sport experience, continued to improve the image of the University during 2011 through the creation of an excellent centre for competitive, residence and recreational sport. This again made an important contribution to the total development of the students at the University. In addition, the local community also benefited from access to the facilities and expertise and the national and international profile of the University was extended further. Maties Sport also has a particularly good record with regard to the use of community interaction to promote the objectives of the Division and the institution. This Division also continued with its overarching role of making a significant contribution to the 'ideal profile of the graduate' of Stellenbosch University.

Maties Sport continued its close cooperation with SUSPI (the company responsible for the commercialisation of sport at the University) in 2011, and is a leading sport division at the tertiary level, with competent staff, facilities and infrastructure. These components contribute to Maties Sport being the preferred destination for top young sportsmen and sportswomen in South Africa who not only want to focus on their development in terms of sport achievements after school, but also want to continue with tertiary study. This Division therefore contributes to the promotion of the image of Stellenbosch University as an excellent institution, to the recruitment of top students and therefore also to systemic sustainability.

CAMPUS HEALTH

With the full implementation of the occupational health component of the Campus Health Service (CHS) during 2011, the establishment of the Division, which developed from the Student Health Service, has now been completed. In the meantime, innovative initiatives such as the introduction of a travelling clinic have also been undertaken. Obviously a healthy and health-conscious campus community is of importance for a sustainable institution, while contributions are made to student success and expertise at the same time.

Just like the CHS, the Office for Institutional HIV Coordination played an important role in student success and the development and dissemination of expertise. Since a few years ago, when the Division was hardly granted a right to exist, it has developed into a leading division in the region that is respected in the higher education sector:

During the year under review, the Office for Institutional HIV Coordination continued very effectively with its responsibility for implementing a comprehensive institutional HIV strategy for Stellenbosch University. The unit again played a valuable role as advisor on HIV prevention, training and service rendering to both students and staff – and forms a strategic link to other higher education institutions, as well as national and international HIV organisations. The Office has furthermore fulfilled a leadership function through the realisation of its shared responsibility for the vision of a campus free from new HIV infections.



9. Stellenbosch University Advancement Academy

Following the welcome early success of the HOPE Project and its fundraising campaign – the largest yet on the African continent – SU took another lead by setting up Africa's first academy for institutional advancement. The launch symposium in September 2011 was attended by more than 30 prominent rectors and senior advancement officers from all over Africa. International speakers at the launch were (from left to right in the photo) Ms Rivi Frankl from Canada, Mr Ahmad Shehu from Nigeria, Dr Jon Dellandrea from Canada and Ms Ellen Sullivan from the United States. With them is Prof Tobie de Coning (far right) from Stellenbosch University. What makes this Academy different is its focus on how leaders of African universities can help enhance the sustainability of their individual institutions. In a set-up where government subsidies are falling off ever more rapidly there is a need to support teaching and learning, research, and community interaction through strategic thinking about network establishment, about fundraising for development, and about partnerships with alumni and corporate donors.





REPORT

of the Executive Director: Operations and Finance

A world-quality 21st-century university is marked by traits such as an environmentally friendly physical infrastructure, ecologically accountable operating practices, a sustainable budget and the most advanced information and communication systems. At Stellenbosch University (SU), what is more, these traits are not apart from the entrusted duties of academic labour and community interaction; they are all inseparably interwoven.

In Operations and Finance as a centre of responsibility, the University has brought major support services together to assist it in carrying on its core business in line with the criteria just referred to. A support service is excellent and sustainable if it consistently creates value for the rest of the institution in ways such as those that will emerge from the divisional reports further on.

From the viewpoint of support, the University's four strategic focuses – knowledge base, diversity, student success and sustainability – are not merely interrelated, but also interpenetrating. This year again Operations and Finance was therefore able, by means of formal structures and processes, to align the entire University with these institutional focuses and associated strategies. Only by understanding the other institutional objectives for 2011, and those for 2011–2016, in these terms as well can we determine integrated objectives for our own centre of responsibility and our various divisions.

The overarching responsibility for systemic sustainability at the University lies with this centre of responsibility. For 2011, the main issues in this regard were limited to the identification of already existing activities and opportunities, and the coordination of and awareness raising about a number of institutional actions based with us.

Since the University placed emphasis on sustainability in 2010, significant progress has been made on several fronts. The initial progress has been mainly with planning and awareness raising, as also in 2011. The year under review also, however, saw several 'sustaining innovations' that yielded incremental, but coordinated, improvements. Here are some examples of objectives achieved during the year:

- the phasing in of a full-cost system for research and research-related contracts and the first steps towards a full-cost culture;
- further phasing out of cross-subsidisation between budgets and between environments;
- sustainable provision for the catching up of maintenance backlogs in relation to physical infrastructure, so that it became possible to upgrade several buildings;

- greater success with the commercialisation of intellectual property;
- substantial repetitive savings on telephone and internet accounts;
- noticeable progress with energy savings and with general awareness raising among staff and students in this regard;
- the establishment of sound waste management practices in residences;
- a visible start to the conservation of the University's mountainside terrain;
- the establishment of better security measures, as in the finalisation of Phase I of the Security Camera Project; and
- the establishment and computerisation of a disciplined risk management system.

It is abundantly clear from the report of each division in Operations and Finance how, from the emphasis on sustainability, alongside the normal operational objectives, there emerges an integrative long-term focus covering many dimensions. A development agenda was followed to find a balance between the typical university activities (research, teaching and community interaction) and the support activities.

The professional services of Operations and Finance contribute to student success by providing and maintaining information and communication systems that significantly improve the quality of the students' learning, residential and living spaces. Their out-of-class experiences, too, benefit strongly from our effective systems and processes.

FINANCE PROVIDES THE INFRASTRUCTURE FOR STRATEGIC FOCUSES

Mr Manie Lombard (Chief Director: Finance)

Web page: admin.sun.ac.za/admin/Finance/new/index.htm

The University's financial planning and management depend on a system of financial management principles adopted by the University Council. It is within this framework that a comprehensive set of financial policies was developed and is implemented. Any addition to or change in the financial policies is checked by the internal auditors and reported to Council's Audit and Risk Committee.

Strategic financial planning for sustainability is directed by the management mandate for the next five years, with systemic emphasis being placed on the following four strategic focuses of the University as drivers of sustainability:

REPORT OF THE EXECUTIVE DIRECTOR: Operations and Finance (continued)

- extension and strengthening of the University's knowledge base (particularly of academic staff);
- increased diversification of the staff and student corps (race and gender);
- improvement of student success; and
- promotion of the University's systemic sustainability.

The related business plans of the respective centres of responsibility, including six-year rolling plans, serve as framework for the annual budget. An agreed and well-developed budget methodology is applied to ensure that resources are deployed in keeping with the University's strategic priorities.

In order to realise financial sustainability as proposed in the long-term planning, steps such as the following are taken:

- Realistic projections of income and expenditure, including student fee increases, which, with few exceptions, amounted to 11% for 2011 and 9,5% for 2012.
- Linking of perennial student enrolment planning to income, expenditure and capital planning. In the medium to long term, the University has planned for moderate growth in the number of undergraduate students, with greater growth in Engineering and Health Sciences, and for stronger growth in the number of postgraduate students. Furthermore, mechanisms for firm enrolment management have been introduced that will be in operation with effect from 2013.
- Provision within the 2011 budget for elements of the Master Campus Plan for the University's properties and physical facilities, the Mobility Plan (parking, commuter service and access control), the Student Accommodation Plan and a Catch-up Maintenance Plan.
- Further implementation of the Policy for Costing and Pricing of Research and Research-related Contracts, which over time will increase the third-stream income to the desired sustainable levels.
- Creation of additional space in the main budget (2011: R75 million and 2012: R64 million), which is being successfully applied particularly as an enabling budget for further third-stream income.
- Management of the student accommodation budget, now based on the very sound Student Accommodation Plan, so that it can become self-financing in the long term and, over a period of five years, can move R1,8 million per annum to the main budget to eliminate cross-subsidisation for maintenance and repair costs.
- Identification of a number of actions to create sustainable space in future budgets, for example for better commercialisation of third-stream income opportunities

and for stepping up the net income from the HOPE Project.

- Sufficient provision to implement the Language Policy in terms of the current decisions, with an additional allocation of R7 million for 2011 and a further additional allocation of R7 million for 2012, and with the intention of providing the full costs of the current plans by 2013.
- The further provision of R13,2 million for the maintenance of buildings, with the intention of reaching a sustainable level of provision by 2015.
- The allocation of an amount equal to 0,6% of the budgeted annual income to a contingency reserve for the financing of unforeseen expenditure. Balance funds within the faculties and support service environments are also used for unforeseen expenditure in the environments concerned.
- The allocation of an amount equal to 2,0% of the budgeted annual income to a strategic fund. This enables the University management to finance strategic initiatives in support of the University's strategic objectives and the related business plans of environments within the University. The deans and other environment heads have indicated that they will use the balance funds of their environments as leverage for additional claims and external funds.

The University's financial management principles emphasise the central role of the budget in the realisation of strategic priorities. The principles also acknowledge the importance of responsibility in financial management, since a duty of care is imposed by the use of taxpayers' money and the money of students (and of their parents and other supporters), business enterprises and sponsors. At the same time, these principles acknowledge the need for decentralised financial management in order to promote entrepreneurial behaviour and efficiency. The managers then have the decentralised power to use their discretion in the allocation of funds and the utilisation of fixed assets. They are committed to proper reporting, however, and are accountable for the use of money and fixed assets in achieving the University's strategic objectives.

The financial statements of the University for 2011 comply with the requirements of the International Financial Reporting Standards (IFRS) and the Regulations for Annual Reporting by Public Higher Education Institutions in terms of the Higher Education Act (Section 41 of Act 101 of 1997).



TELEMATIC SERVICES BROADENS ACCESS TO THE UNIVERSITY

Prof Tommy Park (Senior Director: Telematic Services)

Web page: academic.sun.ac.za/litel

This Division is concerned with two of the University's strategic focuses in particular, namely diversity of students and student success. The telematic platform creates opportunities for students from all communities to share in the University's postgraduate academic offering. The students on the platform in 2011 did not only represent all age groups; 83% of them came from previously disadvantaged communities. At the March 2011 graduation ceremonies, 1 190 of these students formally completed their studies, 170 more than in March 2010.

The technology platform makes Stellenbosch University more accessible to all of those wishing to study here. Over the past few years, an average of 20% of the University's postgraduate candidates studied by way of the telematic platform.

The cutting edge of knowledge technology offers a variety of means – cellphones, computer applications, video-conferencing facilities, real-time interactive television broadcasts – for off-campus students to remain in touch with the University's academic, administrative and support services from wherever they are. The technology-supported access routes to the University are blurring the traditional divide between contact and off-campus educational opportunities, and reduce the limitations imposed by time and place. The integration of residential and virtual opportunities for education creates a flexible advanced learning environment.

Satellite time is used not only to support postgraduate students, but also to realise the University's endeavour to serve as a respected knowledge partner and creator of capacity in communities. In its collaboration with a large number of external partners, Telematic Services houses on the technology platform a variety of projects that focus on the development of strategically important skills. The following are two of the biggest projects:

- To increase the accessibility of the University, the Division over the past three years has used its facilities in collaboration with the Western Cape Education Department for improving the articulation between school education and higher education. During 2011, more than 100 hours of real-time interactive satellite broadcasts in seven subjects were targeted at 145 schools in the Western Cape. About 20 000 Grade 11 and 12 learners took part in the project. As appears from both the formal and informal impact studies, this support to schools has made a significant difference for the better in the lives of many teachers and learners.
- In 2011, the Development Bank of South Africa and the Department of Water Affairs presented two training projects on the telematic platform in support of

municipalities that are trying to make their water supply to communities and their wastewater management more efficient. The very positive formal feedback from the participants in this cost- and time-effective training method confirms, among others, that virtual learning spaces can also be successfully used to develop critically important skills. These pilot projects have created an important conceptual framework for capacity development in the future.

The technological systems in use by the Division were upgraded in the course of the year under review. A new earth station was installed; a different signal distribution provider was appointed; the migration to Intelsat 17 was carried out; and each of the reception points (220 learning centres of the University and private clients) was equipped with a new MPEG4 decoder. Furthermore, a signal encryption system was installed that can activate or deactivate different combinations of decoders, depending on the client's wishes, in order to guarantee the confidentiality of the broadcast.

The Division is increasingly making use of the mobile camera system for outside shots, which are added to the live broadcasts as video clips once they have been edited. The learning experiences that are unique to interactive broadcasts are greatly enriched in this way. The demand for multimedia applications is increasing among our internal and external clients. The Division also provides these multimedia services singly, for example video productions to supplement real-time broadcasts, graphic services for the design of learning materials, and web-based learner management systems.

The new video conferencing system allows link-up with the Internet and ISDN and in this way complements the satellite technology, which therefore is now able to provide opportunities for virtual conferencing on a regular basis and to deliver broadcasts beyond the satellite footprint.

INNOVUS TECHNOLOGY TRANSFER (PTY) LTD CAPITALISES RESEARCH OUTPUT AND INVENTIONS

Ms Anita Nel (Director and Chief Executive Officer: InnovUS)

Web page: www.innovus.co.za

InnovUS manages the University's intellectual property portfolio through three main activities:

- Helping researchers to commercialise intellectual property (IP) arising from their research through research agreements, patenting, licensing, and spin-out companies.
- Assisting researchers with copyright issues.
- Managing the processes and providing a platform for the registering of short courses.

The global trend towards the commercialisation of university research is well suited to the South African

REPORT OF THE EXECUTIVE DIRECTOR: Operations and Finance (continued)

context, especially when state subsidies for universities are dwindling but the quality of academic research remains high. InnovUS had a very successful year commercialising SU technologies. We exceeded all targets set for disclosures and licence transactions. In all, 62 disclosures were received, well in excess of the target of 49. Eight licence agreements were concluded, with two more being finalised, exceeding the target of seven set for the year. We achieved a record income for 2011, which helps realise our aim of contributing to the third-stream income in order to fulfil the University's focus on becoming sustainable.

Some of the interesting projects we have received from SU researchers to support them to commercialise their research output and inventions include:

- a tuberculosis specimen collection device for diagnostic purposes for use in young children (Mrs Lizl Cronje, PhD student, Polymer Science);
- a new design for a heliostat in a concentrated solar energy plant (Mr Paul Gauché, PhD student, Mechanical Engineering);
- a natural growth promoter for plants (Prof Jens Kossmann and Dr Marna van der Merwe, Plant Biotechnology); and
- a multi-stage rail launcher (Dr Coenrad Fourie and Reino Harmse, Electronic and Mechanical Engineering).

The licences concluded in 2011 were for the following:

- the KODUS questionnaire (a career interest questionnaire developed by Prof Johann Meyer while at the Department of Psychology);
- the solar chimney software (software tool for the optimisation and control of large-scale solar chimney power plants developed by Johannes Pretorius, Department of Mechanical and Mechatronic Engineering);
- a diagnostic test for plant viruses (a method of detecting Apple chlorotic leafspot virus and Apricot pseudo-chlorotic leafspot virus that infect stone fruits and deciduous fruits, developed by Prof Johan Burger, Department of Genetics; licensed to a local company, Genetwister);
- the manufacture and sale of the dual-rotor air-cored generator (patent held by our own spin-out company, the Stellenbosch Wind Energy Technologies (SWET) Company);
- three of the nanofibre technologies for various applications in industry (invented by Dr Eugene Smit, Chemistry and Polymer Science Department);
- genetic modification of sugarcane in partnership with

the South African Sugarcane Research Institute (SASRI), with a very large multinational agribusiness company (developed under the supervision of Prof Jens Kossmann of the Institute of Plant Biotechnology; the licensee's identity remains confidential at this point); and

- two South African wine isolates, *Oenococcus oeni* S5 and *Lactobacillus plantarum* 56, that are combined for use as a malolactic fermentation starter culture in the wine industry (Prof Maret du Toit, Institute for Wine Biotechnology).

We started three companies in 2011 and, for example, raised access to funding amounting to R35 million for one of these companies. Our entrepreneurship evenings for our students were well attended and enhanced their 'Stellenbosch experience'. Our track record and achievements in this area already set us apart as one of the most entrepreneurial universities on the African continent; these achievements, we believe, will help push up the number of excellent staff and students attracted to the University.

InnovUS managed to deliver on its daily activities such as the expansion of copyright and on short courses. In the 2011 academic year, 430 short courses were registered and approved. The short courses raised an income of more than R53 million for the University. A few hundred research agreements were concluded in partnership with the Division for Research Development.

As a wholly owned SU technology transfer company, InnovUS succeeded in 2011 in contributing to financial sustainability through various commercialisation activities.

FACILITIES MANAGEMENT MANAGES SIGNIFICANT SUSTAINABILITY INITIATIVES

Mr Chris Munnik (Chief Director: Facilities Management)
Web page: sun025.sun.ac.za/portal/page/portal/facilities/tuis

The activities of Facilities Management have a significant impact on the financial sustainability of the University, as well as on its ecological sustainability. Our role as an important enabler of the University's core business gained further momentum in 2011; in record numbers, the Division finalised existing property projects, commenced new ones and actively planned others for implementation in 2012. These projects span a variety of physical facilities across the entire spectrum of facility needs on the University's campuses, viz. the places of work, learning, residing and living. The joint value of the projects, R800 million, is made up as follows:

- Projects completed 2011: R69 million



| | |
|---|--------------|
| • Current projects 2012: | R238 million |
| • Active planning of projects to start in 2012: | R328 million |
| • Improvements 2011: | R64 million |
| • Small capital works 2011: | R10 million |
| • Current maintenance 2011: | R88 million |
| • Camera Project Phase 1: | R3 million |

Good progress was made in 2011 with a number of projects and initiatives that specifically promote the sustainability of the ecology. The Energy Project gained further momentum from the installation of the last energy metres on the campus and the finalisation of the control systems. The projection of the University's current electricity consumption shows a 3% saving on the expected consumption for 2011, which was only 0,8% higher than the consumption in 2008 (base year for the Energy Project), despite higher student numbers. The energy consumption per registered student decreased by 12% over the same time. Further momentum was provided to the greening of new extensions and improvements in 2011 by a variety of new property projects in which green principles are conspicuously included in the specifications. Examples of this are significant progress with Facilities Management's initiatives concerning sustainable landscaping and water management, integrated waste management, and the conservation of the University's mountainside terrain.

One of the focus areas in Facilities Management in 2011 was the intensive planning and development of an imaginative and sustainable Mobility Plan for the University's campuses. The first phase of this project will be carried out in 2012; the outcome is expected to have a significant positive impact on the University's carbon footprint. In summary, the Plan entails:

- the declaration of the central campus in Stellenbosch as a 'residential plot' that must be pedestrian and cyclist friendly, and where motorists are discouraged by limiting road-use rules and 'yielding' to the other two groups;
- the institution of an affordable public transport bus service for University staff and students between distant towns and the Stellenbosch, Tygerberg and Bellville Park campuses;
- high parking tariffs on the central campus, with considerably lower tariffs on the periphery of the campus;
- the introduction of an affordable commuting service from the periphery of the Stellenbosch campus to the central campus for use by staff and students; and
- the provision of special SU bicycles to members of staff and students, the building of special bicycle lanes on the 'residential plot' and the provision of bicycle sheds.

These initiatives are being planned in partnership with the Stellenbosch Municipality.

In 2011, Facilities Management was involved in the following sustainability initiatives:

- **Installation of energy metres and wireless modems** to monitor energy consumption.
- **Energy audits** to investigate the potential for savings.
- **Shower heads** for water and energy savings.
- **Building management system** to make provision for central control and management of air conditioning systems, control over emergency generators and the installation of a load management system.
- **Alternative energy sources.** A large number of solar heaters are already being used.
- **Water fountains** to reduce drastically the number of plastic water bottles that are used on the campus.
- **Bukashi kitchen refuse project** to reduce the kitchen waste that has to be taken to the dumping sites by half.
- **Residence waste products** are separated into wet and dry waste products before the municipality removes the waste, and the dry waste products are recovered. This project has already prevented about 51 000 kg of waste products from landing up on dumping sites.
- **Compost.** The University has already used 300m² of compost from SU gardens.
- **Owls.** Along with the Stellenbosch Municipality and the Spier Wine Estate, the University has been installing owl houses to attract owls and in that way control rodents.
- **Birds of prey** for the effective control of harmful bird species on the campus.
- **The conservation of the University's mountainside terrain** is managed in partnership with the Department of Forest and Wood Science.
- **Tree planting project.** The Tygerberg Campus has already planted thirty trees in the course of the year; all of them representing the coastal fynbos and strandveld biomes, which fare well in the sandy soils of the region. A similar initiative has been started by the Stellenbosch Arboretum.

INFORMATION TECHNOLOGY UNLOCKS POTENTIAL OF 21ST-CENTURY UNIVERSITY

Mr Helmi Dreijer (Senior Director: Information Technology)
Web page: infoteg.sun.ac.za

The Division for Information Technology aims its service at supporting all members of staff and students of the University with the information technology (IT) and communication technology that is required to realise the potential of a 21st-century university.

The steps that have been taken in this regard can be summarised as follows:

REPORT OF THE EXECUTIVE DIRECTOR: Operations and Finance (continued)

- A leading role was played in the establishment of IT and information management and corporate governance structures. A number of cross-cutting forums were established, on the one hand to align the University's information technology with its institutional strategies, and on the other hand to improve policy shaping and information management on the institutional level.
- An already substantial IT infrastructure, to which close on 15 000 computers currently are linked and on which the institutional information systems are established, was extended further.
- The Division was reorganised: its focus – previously limited to the support of administrative functions – now also includes the support of learning and teaching processes and of research processes.
- A project management office was established to ensure that the correct projects are carried out successfully and a new IT architecture function is already producing promising results.
- Various further manual processes were replaced by electronic workflow processes, with even further and consequently better service rendering, greater personal productivity and more rapid access to information.
- The client relations and donor relations management system was extended further; so too the postgraduate platform, an information management system for use by postgraduate students. This system contributes considerable value to the University's strategic relationships.
- The academic offering information system, also known as the 'e-Calendar', was extended further and appears to be of immense value to students when they choose their field of study and career. The project, which ran over three years, ensures that students can make the best choice for their studies by applying online via the web, also in their language of choice.
- The focus of the administrative information systems was largely on the provision of a self-help service, particularly to the students and staff. This includes:
 - a web application system for postgraduate bursaries, which means, among other things, that the bursary providers can make online enquiries about the status of their bursary holders;
 - the possibility of direct electronic applications for admission, with the necessary information on hand electronically; and
 - the possibility of direct electronic registration when the students start with their studies. More than 75% of the students who could register electronically in 2011 made use of this service.
- The telecommunications system project to replace all existing telephones with internet telephones was completed. About 3 000 Telkom telephones were cancelled over the past two years, with considerable savings as a result.
- In order to improve access to the internet, the University obtained access to the Seacom undersea cable thanks to a long-term investment. This, along with good management and the connection to SANREN (South African National Research Network), ensured that internet tariffs could be halved, to the benefit of the University's core business.
- Since effective learning and teaching are increasingly dependent on access to computers and networks, the students increasingly need their own laptop computers. Together with other South African universities, the Division negotiated the best prices nationally for laptops that are suitable for their purpose.

PROJEKtUS COORDINATES SUSTAINABILITY ACTIONS

Dr Barbara Pool (Director: ProjekTUS)

In 2011, PROJEKtUS focused on two actions in particular. The first was the anchoring of sustainability within the core functions and, within the role of its supporting divisions, to expand sustainability by means of cross-cutting support. The second action was to emphasise the institutional focus on sustainability by means of integration, coordination and communication.

The institutional emphasis on sustainability was made visible through the implementation of a focused communication plan. A sustainability website (www.sun.ac.za/sustainability) was established as the junction for all sustainability activities at the University. The information on this website is organised according to six themes that are of importance to SU: energy, water; waste, transport, gardens and grounds, and buildings and facilities. Further themes are the sustainability within teaching and learning, community interaction and research respectively.

Each theme is identified by specific visual elements that facilitate communication. Furthermore, the themes create the platform(s) on which experts and interested parties can be gathered and where they can work together in specialised working groups to help find practical solutions to specific problems.



REPORT of the Institutional Forum

Mr Le Roux Burrows
Chair: Institutional Forum

The Institutional Forum (IF) is an advisory body which, in terms of the Higher Education Act (Section 31(1) of Act 101 of 1997), advises the University Council on policy matters, including the implementation of this Act and of the national policy on higher education.

The activities of the IF involve not only meetings where advice to Council is considered, but also discussions between the Executive Committee of the IF and the Rector and his Management Team. The members of the IF are divided into three task groups, namely Diversity and Equity, Institutional Planning, and Institutional Culture. When necessary, the task groups are supplemented by ad hoc groups. The task groups are vested with the power to investigate thoroughly any matters assigned to them. They then report back to the IF in order that the IF may render well-considered advice to Council.

COMPOSITION

The amended Statute of the University was approved by the Minister of Higher Education on 31 August 2011 and published in the Government Gazette. Most noticeable to us was the amendment to the composition of the Institutional Forum; this used to be 28 members, seven from each of the four sectors, namely governance and management, staff, students, and the community; now it is 32 members with eight from each of the four sectors. The manner of election of the eight members of each group was also slightly adjusted. Next most noticeable to us was one of the amendments to the composition of the US Council; in terms of this, the IF is now only allowed to consider for Council representative those IF members who to date have had no ties with the University. In short, the IF must appoint someone from among not more than six such persons.

ACTIVITIES

The IF carries out its normal duties by advising the Council on policy documents and commenting on the University Management's implementation of the above-mentioned Act. In addition, the IF has decided not to remain strictly within its legally prescribed duties and responsibilities, but also to focus on specific issues that arise from time to time, with the aim of providing proactive advice to Council for its deliberation and further investigation.

PROPOSED POLICIES

In its formal reports, the IF primarily advised on

new policies. University policies that came up for discussion were the Policy on Bursaries and Loans with Discriminatory Criteria; the HIV/Aids Policy for Students and Staff; and the Policy on Recording and Monitoring Closed-circuit Television Images.

REAPPOINTMENT OF THE RECTOR: SHORTENED PROCEDURE

In accordance with the US Rules of Procedure for the Appointment of a Rector and Vice-Rectors, the IF voted by closed ballot-papers, and supported the appointment of Prof HR Botman for a further term.

APPOINTMENT OF DEANS

In accordance with the University's Rules of Procedure for the Appointment of Full-time Deans, the IF appointed representatives to serve on the selection committees for the appointment of a Dean for the Faculty of Military Science, a Dean for the Faculty of Education, and a Dean for the Faculty of Law.

COMMENTARY ON POLICIES AND FORMAL REQUESTS

The IF welcomes the suggested HIV/Aids policy, and believes that it can make a significant contribution to creating an environment in which people living with HIV/Aids can be free of stigma and discrimination. The fair treatment of such people means, among other things, that they ought to enjoy strictly no fewer rights than persons with comparably severe medical conditions. What is more, the IF acknowledges the importance of reasonable cooperation from staff as a principle of Labour Law.

Further, the IF formally requests Council for attention to be given by the University Management to the serious problem of alcohol abuse among SU students, with particular reference to the question: What is this a symptom of?

WORKING PROCEDURES

This year, the IF twice revised its own working procedures and submitted the revision to Council. The first of these

REPORT OF THE INSTITUTIONAL FORUM (continued)

revisions was needed to bring our working procedures into line with the reduced number of annual IF meetings. The second was needed to reflect the changes to the IF's composition, for instance, as laid down in the new Statute.

CONCLUSION

The IF worked hard throughout to live up to its reputation as a forum where matters can be discussed in depth. Constant self-examination about the IF's role on campus is a natural outcome of this.

In general, the IF takes an active part in discussions of matters affecting the University. In this spirit, we extend an open invitation to all to bring to the IF's notice, for discussion, any issue relating to policy, culture or planning at the University.

Mr Le Roux Burrows
Chair: Institutional Forum



10. Stellenbosch University Water Institute

The sensational teabag water filter, developed by the Stellenbosch University Water Institute, was chosen in 2010 by the Scientific American journal as one of "10 ideas that will change the world". It was developed by researchers from the University's Department of Microbiology and SU polymer scientists under the leadership of Prof Eugene Cloete, Dean of the Faculty of Science. The filter looks like an ordinary teabag, but is covered with treated nanofibres and filled with activated carbon granules so that it can purify water of harmful and disease-bearing bacteria. Steps were taken in 2011 for the cost-effective manufacturing of the filter bags. The filter has already received a guarantee of quality from the South African Bureau of Standards. Thanks to strategic partnerships with the private sector, the filter – at an estimated cost of 35c per bag – will benefit the quality of life of more than 300 million people on the African continent who are dependent on polluted streams and rivers for their drinking water. Dr Michelle de Kwaadsteniet is shown here cutting a teabag from nanofibre material.



THE INSTITUTIONAL FORUM

The Institutional Forum is constituted in the manner laid down by the University's institutional Statute. The 32 members are chosen for a term of three years, except the student members, who are chosen for a term of one year, and the Registrar (or representative), who is a permanent member.

MEMBERS OF COUNCIL ELECTED BY COUNCIL

(01.10.2011–30.09.2014)

Two vacancies

MEMBERS OF SENATE ELECTED BY SENATE

(01.10.2011–30.09.2014)

Prof N Beyers

Prof JE du Plessis

Prof JH Knoetze

SENIOR DIRECTOR COMMUNITY INTERACTION

(01.10.2011–30.09.2014)

Dr JA Slamet

NOMINATED TO SERVE ON BEHALF OF THE DIRECTOR: EMPLOYMENT EQUITY

(01.10.2011–30.09.2012)

Prof JF Smith

THE REGISTRAR

Permanent member

Mr JA Aspeling

MEMBERS FROM OWN RANKS ELECTED BY PERMANENT, NON-PROFESSORIAL ACADEMIC STAFF

(01.10.2011–30.09.2014)

Mr L Burrows (01.10.2011–30.09.2012) (*Chair*)

Dr HE Prozesky

Dr S Thom (01.10.2011–30.09.2012)

MEMBERS FROM THE ACADEMIC AND ADMINISTRATIVE SUPPORT SERVICES STAFF

(01.10.2011–30.09.2014)

Ms L Bredekamp (01.10.2011–30.09.2012) (*Secretary*)

Mr AG Cupido

Mr WP Davidse

Ms M Hunter-Hüsselmann (01.10.2011–30.09.2012)

Dr C Nel

MEMBERS FROM THE STUDENTS' REPRESENTATIVE COUNCIL ELECTED BY THE STUDENTS' REPRESENTATIVE COUNCIL

(01.10.2011–30.09.2012)

Ms DM Baartman

Ms C Hanekom

MEMBERS FROM THE PRIM COMMITTEE ELECTED BY THE PRIM COMMITTEE

(01.10.2011–30.09.2012)

Ms A Schroeder

Mr PM van der Merwe

MEMBER NOMINATED BY THE STUDENT SOCIETIES

(01.10.2011–30.09.2012)

Mr JD Blanckenberg (*Deputy Chair*)

MEMBERS FROM THE ACADEMIC AFFAIRS COUNCIL NOMINATED BY THE ACADEMIC AFFAIRS COUNCIL

(01.10.2011–30.09.2012)

Mr PE Lotz

Mr S Poerstamper

MEMBER FROM THE STUDENT UNION APPOINTED BY THE STUDENTS' REPRESENTATIVE COUNCIL

(01.10.2011–30.09.2012)

Ms GFJ King

NOMINATED BY THE PRESIDENT OF THE CONVOCATION

(01.10.2011–30.09.2014)

Adv JC Heunis

Prof HC Viljoen

NOMINATED BY THE REPRESENTATIVE BODIES OF CIVIL SOCIETY

(01.10.2011–30.09.2014)

Mr JRV Burger (Western Cape Education Department)

Rev JH Goosen (Council for Church Cooperation)

Mr GG Groenewald (Stellenbosch Ratepayers' Association)

Association)

Mr NH Petersen (Stellenbosch Welfare and Development

Coordination Committee)

Vacant (Stellenbosch Municipality)

Vacant (Local Health Network)

REPORT

on Risk Exposure, Assessment and Management

Stellenbosch University is committed to a comprehensive and structured risk management programme in support of the institutional strategic management processes.

A comprehensive risk management programme is followed so that strategic management processes are increasingly established on a risk management foundation while at the same time complying with the reporting regulations of the Department of Higher Education and Training.

The University's risk management system, which has gained shape over the past few years, was refined further during 2011. This arose from formalised interaction between the Risk Management Committee on the one hand, and the Audit and Risk Committee of Council on the other.

Risk management furthermore gained acceptance as support base for institutional management processes because the Rector reported comprehensively on the material institutional risks at each meeting of the Audit and Risk Committee of Council. A task group was appointed in 2011 to investigate the linking of operational risks to overarching strategic focuses. The recommendations were implemented successfully in order to realise a 'strategy-supported' risk management programme. This linking also promoted matrix (risk) management dynamics between the heads of the respective centres of responsibility (i.e. Teaching, Research, Community Interaction and Personnel, and Operations and Finance).


There is an ongoing focus on the making of policies to protect the University against exposure. A policy on

recording closed-circuit television images was approved during 2011, and a policy on the letting and provision of SU facilities is in the process of being approved.

In the year under review, several higher-level risks were managed successfully. Among these were sustainability, image, financial and safety risks. There has been a strong management focus on compliance with the Occupational Health and Safety Act since 2011. An audit on the state of safety appointments was carried out, after which management interventions were initiated to address deficiencies. Reporting on the state of occupational health and safety has been established as a standing item on the agenda of the Audit and Risk Committee of Council, while there also is sustained focus on meeting risk management target dates. Contraventions in terms of the ethical codes are also reported on as a standing item to the Audit and Risk Committee of Council.

A substantial number of the risks on the risk register of the Audit and Risk Committee were dealt with successfully. They are now further being dealt with operationally in the various line functions. Acceptable plans and time scales were indicated for managing the remainder of the listed risks. Ongoing attention was also paid to the planning of capital projects that affected teaching and research.

The training in risk management was continued and sensitisation of the campus community was undertaken by means of planned communication and information sessions.



Prof. Leopoldt van Huyssteen
Executive Director: Operations and Finance



FACULTY REPORTS

Stellenbosch University is held in high esteem in the international academic community in view of its outstanding teaching and research. The University takes pride in the fact that its postgraduate students, nearly 10% of whom are international, form one of the country's highest percentages.

The University has ten faculties, eight of which are housed on the main campus, at Stellenbosch: AgriSciences, Arts and Social Sciences, Education, Engineering, Law, Science, Theology and the larger part of Economic and Management Sciences. The Bellville Park Campus is home to the University of Stellenbosch Business School (USB) and to USB Executive Development Ltd. The Faculty of Health Sciences is situated on the Tygerberg Campus. The Faculty of Military Science is located at the coastal town of Saldanha.

Details of the undergraduate and postgraduate teaching programmes offered by these faculties, and more information on the faculties themselves, may be obtained on the University's website at www.sun.ac.za.

FACULTY OF AGRISCIENCES

*Prof Mohammad Karaan
Dean: Faculty of AgriSciences*



The past year has once again been a prosperous year for the Faculty of AgriSciences. The Faculty performed positively on most of the strategic management indicators of the University. Our main challenge has been to improve on our financial sustainability. Gradual growth in our undergraduate student numbers and more aggressive growth in our postgraduate outputs improved our finances. We remain grateful to all our staff and students who contributed diligently in this regard during the last year.

Our research, publications and postgraduate outputs continue to show an upward trajectory. We graduated more PhDs than previous years (20 in 2011 against 15 in 2010 and 12 in 2009) and have registered a good intake of PhD and master's students. All our departments contributed to our shift towards greater research output and relevance.

We also endeavoured to enhance the diversity profile of our students and staff. The proportion of black undergraduate students leaves much room for improvement and we must perpetually strive to grow the interest in agricultural sciences among all South Africans. Our recruitment efforts include bursary programmes, mentorship arrangements, special support for students with challenges, a focus on rural schools and schools that offer subjects in agricultural sciences. We trust that our efforts will bear fruit in the near future. In this regard we are particularly keen on the collaboration that we have established with the Western Cape Department of Education and their officials and agricultural sciences teachers.

Our collaboration with Elsenburg remains of strategic importance and as a Faculty we are gradually improving our interactions. We see our role as their academic partner and as host of the BAgriC degree offered at Elsenburg. We see it as critical to retain a degree programme at Elsenburg and to improve articulation with further studies for Elsenburg students to advance academic excellence.

AgriSciences is committed to the University's HOPE Project. Four of the HOPE Project's themes relate well to our environment, namely the eradication of poverty and related conditions, the promotion of human dignity

and health, the promotion of peace and security, and the promotion of a sustainable environment and a competitive industry. Our extensive work in the field of food security, biodiversity, rural development and agribusiness is broad testimony to our contributions in this context.

The Faculty remains dedicated to sustainable practices and we have started to reduce our energy consumption and improve our waste management. On our experimental farm we have successfully implemented a composting venture for all the food waste from the various residences on campus. We intend to significantly advance our efforts in this regard. We also added a food gardens initiative at various schools where we undertake special recruitment efforts.

The Faculty has also made strides in its community interaction efforts. We continue to serve the various agricultural industries and value chains with research and extension efforts. During this year we also expanded our international work to countries such as China, Indonesia and India, as well as various countries in Africa. There is still considerable potential to expand our internationalisation.

At the national level the Faculty continues to have good relations with government departments and parastatals, such as the Department of Science and Technology, the Department of Trade and Industry, the Department of Agriculture, Fisheries and Forestry, the Agricultural Research Council and several other bodies. The private sector also continues to contribute to our work. Subsequently, our third-stream income continues to grow year on year. We can confidently say that productive industry relations remain one of the key strengths of our Faculty.



FACULTY OF ARTS AND SOCIAL SCIENCES

Prof Hennie Kotzé
Dean: Faculty of Arts and Social Sciences

In a diverse environment such as the Faculty of Arts and Social Sciences, which houses 18 departments and more than 10 research centres, an equally diverse set of integrated strategic objectives is required to ensure the long-term sustainability of our core business. To this end, the Faculty has in 2011 attuned itself more urgently to the University's four strategic focuses, which are the retention of our knowledge base, the diversity of our staff and students, student success, and systemic sustainability.

We have shown consistent growth in the number of Faculty members with PhD degrees over the last five years, from 91 in 2007 to 102 in 2011. This enables the Faculty to provide postgraduate students with access to a larger pool of experts who can act as supervisors and mentors to prospective scholars. In addition, we currently have 48 National Research Foundation-rated scientists in our midst, specialising in fields as diverse as bioethics, war history, textual criticism and hermeneutics, and ancient philosophy.

We are proud to report that, in 2011, we enrolled more than 1 500 postgraduate students, of which just over 250 are PhD candidates. At the undergraduate level the Faculty has had an average pass rate of over 80% for the past five years.

Across the world, universities are struggling for various reasons to retain first-year students and the same is true for Stellenbosch. We have therefore continued to focus on providing opportunities for success for first-year students who would otherwise have dropped out or failed their entry year. Thanks to Ms Anita Jonker, who serves as the coordinator of the First-year Academy (FYA) within the Faculty, we have implemented a new initiative in terms of which the FYA representatives can meet with the Learning and Teaching Committee twice a year – after the early assessment at the beginning of the second term, and after the mid-year results are made available at the beginning of the second semester. During these meetings, the results of the first-year students in all 18 departments are discussed together with possible measures to help students who are failing. Measures that were implemented in 2011 include providing additional tutor support; regularly communicating with students through various media and through their lecturers regarding extra support services on campus; and promoting multilingualism among first-year lecturers in order to improve student success.

One of our HOPE Project initiatives consists of three legs – the Graduate School, the African Doctoral Academy

(ADA) and the Partnership for Africa's Next Generation of Academics (PANGeA) (see pages 25, 32 and 34). Over the last two years, 53 doctoral candidates from 13 African countries, including South Africa, have enrolled for the PhD programme of the Graduate School. Of these students, 77% are non-South African and 23% are South African, while 75% are men and 25% are women.

In 2011, the Graduate School also launched its first public lecture series, the Locations and Locutions Lecture Series, which is aimed at facilitating critical engagement and debate on Africa in the arts, humanities and social sciences. The overarching theme was *Which Africa? Whose Africa?* and the three public lectures that were presented were *Thinking Africa from the Cape*, *Atlantic Locations*, and *Indian Ocean Africa*. The School also cooperated with the Mail and Guardian as its media partner through the *Mail and Guardian's* Critical Thinking Forum in order to engage with a wide audience throughout South Africa regarding important debates about how “we theorise, imagine and inhabit Africa”.

The ADA presented its first summer and winter schools in 2011, and also offered workshops in supervision and proposal writing, and in practical logic, literary studies and cultural analysis throughout the year. The schools were quite popular, with participants from more than 20 African countries attending.

Another HOPE Project initiative, Geographic Information Technology (GeoIT), also developed significantly over the last year. Apart from appointing new staff members, the initiative has focused on the development of three new second-year modules, namely Earth Observation, Photogrammetry and Spatial Data Management. These modules will be implemented in 2012 and will improve students' preparedness for registration as professional geographical information science (GISc) practitioners. It has been a busy year for our Faculty, but with every bit of success we are moving closer to achieving our long-term goals.

FACULTY OF ECONOMIC AND MANAGEMENT SCIENCES

Prof Johann de Villiers
Dean: Faculty of Economic and Management Sciences



The Faculty of Economic and Management Sciences is the largest faculty at the University. In 2011, 4 411 undergraduate and 3 237 postgraduate students studied here.

A priority for the Faculty is the development of our expertise base so that we can provide excellent teaching for these large numbers of students. One of the highlights in 2011 was the acknowledgement given to our programme for the training of actuaries by the Actuarial Society of South Africa. Our training was assessed to be at Level 3 (the highest evaluation that is awarded) and it is possible to get exemption from twelve of the fifteen modules required for training as an actuary by studying at our Faculty.

The excellent results that were achieved by our graduated students in other, external examinations also serve as acknowledgement of the Faculty's expertise base. Ninety-five percent of our graduated accounting students were successful in the examinations of the South African Institute for Chartered Accountants (Part I) in 2011. In the qualifying examinations of the Chartered Institute of Management Accountants, two of our students, Robert Meintjies and André Bester, achieved the highest marks for Business Strategy and Financial Strategy respectively. The master's thesis of Rozelle van Schalkwyk, another graduate, was selected as the winner of the annual Norton Rose Competition for theses on taxation.

The expertise of our staff is also acknowledged beyond the University. Examples are the appointment of Prof Erwin Schwella of the School of Public Leadership as professor extraordinary by the University of Leyden in the Netherlands, and the election of Prof Wessel Pienaar of the Department of Logistics as deputy chair of the *Suid-Afrikaanse Akademie vir Wetenskap en Kuns* (South African Academy for Science and Art). Mr Len Steenkamp of the Department of Accounting received a national award for teaching from the Higher Education Learning and Teaching Association of Southern Africa.

The diversity of our student corps remains a priority for the Faculty. In 2011 the recurriculation of the BComm (Management Sciences) programme was an important initiative in order to present it fully in both Afrikaans and English from the end of 2012. This will provide students with an opportunity to follow this programme entirely in the language of their choice (Afrikaans or English), which will make the programme more attractive to students from diverse backgrounds.

Our postgraduate programmes are already attractive to a

diverse group of students. In 2011 we had a total of 3 322 postgraduate students, of whom 51% would have been classified as white in a previous dispensation, 35% as black, 11% as coloured and 3% as Indian.

The initiative to present the BComm (Management Sciences) programme in both Afrikaans and English as of 2012 is also aimed at improving student success. The Faculty hopes that class attendance will improve if students are taught in their language of choice and also that this will increase general performance and throughput rates.

There are a variety of initiatives in the Faculty that are aimed at helping students to study successfully. These include an extended degree programme for students with teaching backlogs, summer and winter schools during which students can repeat modules if they were unsuccessful during the semester, and a number of tutor and mentor programmes in which students receive support in smaller groups. An interesting initiative was the implementation of a new approach to teaching by Ms Liezl Nieuwoudt during the Winter School for Economics 114 in 2011. The traditional lectures were replaced with a teaching model in terms of which students worked on problems in small groups. The groups use flash cards to convey their answers to the lecturer, who then facilitates further discussion in the bigger group. The aim of this teaching model is that the students learn from each other, rather than from the lecturer. Excellent results were achieved, and we are considering adapting the model for use in the mainstream lectures.

Through the implementation of knowledge, the Faculty wishes to contribute to the establishment of sustainability and a competitive economy. In the Entrepreneurship Empowerment in South Africa initiative, the Department of Business Management collaborates with Syracuse University to make the subject expertise of students available to local entrepreneurs, thereby offering the students an opportunity to gain experience, while at the same time contributing to sustainable development and entrepreneurship. In 2011, students and lecturers of the Faculty were also involved in the activities of Students in Free Enterprise, an international organisation that undertakes skills development in communities in order to help establish socially accountable business leaders.



FACULTY OF EDUCATION

Prof Yusef Waghid
Dean: Faculty of Education

During the year under review the Faculty of Education contributed to building educational capacity – a critical requirement for South Africa's future. The Faculty fared well in its key performance areas (research, teaching and learning, and community interaction) reported on below, and with the University's strategic focuses.

RESEARCH

A high percentage of publications were produced by established and novice researchers. We remain the 'top-ranked' Faculty of Education in the country on two grounds. First, all our professors have an NRF rating. Second, we are the only Faculty of Education where almost a third of the academics have the status of rated researchers, among them two B-rated researchers who enjoy international acclaim.

TEACHING AND LEARNING

An analysis of the Centre for Teaching and Learning's student evaluation reports on undergraduate teaching and learning in the Faculty led to the conclusion that the teaching and learning were in general of a 'good quality'. Only a few modules were regarded as 'in need of substantial improvement' – a relatively low number in view of the high module count in the Faculty. Concerted efforts are being made to improve on these modules, most notably the reconstruction of the BEd programme to bring it into line with the demands of both educational policy change and teacher education.

COMMUNITY INTERACTION

No doubt our major achievement has been to give educational support to historically disadvantaged students and teachers through our initiatives with CELEMUS (Centre for Educational Leadership and Management of the University of Stellenbosch) and IMSTUS (Institute for Mathematics and Science Teaching). CELEMUS uses external funding to smooth the way for pedagogical activities that boost the University's 'hopeful' initiatives. Thanks to the Advanced Certificate in Education (ACE), 169 senior educators and managers in schools were introduced to the rationale and practices of educational transformation. In addition, some education policy managers made a success of a 'pre-master's' short

course on educational change. The school intervention programmes by IMSTUS, the ACE programmes in Mathematics and Physical Sciences, and the bridging programme SciMathUS (see page 37) consistently furthered the agenda of the University's HOPE Project.

A Faculty initiative in which teaching and learning, research, and community engagement were integrated with 'education for hope' led to the publication of a special issue of the *South African Journal of Higher Education*. The issue title was *Pedagogies of Hope: A Faculty of Education's Response* (25(1): 1-189).

STRENGTHENING OUR KNOWLEDGE BASE, DIVERSITY AND STUDENT SUCCESS

As to the extension and consolidation of the University's knowledge base, by December 2011 more than 80% of our staff held a PhD and 30% of them had achieved an NRF rating. The expertise of our staff is also acknowledged by appointments made:

- Michael le Cordeur was appointed chair of the *Afrikaanse Taalraad*;
- Aslam Fataar was appointed a member of the Council for the Minister of Education in the Western Cape; and
- Doria Daniels, Jan Heystek and Chris Reddy were promoted to professor.

As to diversity, here are the ratios for 2011: the research staff was at 81,25%; the postgraduate students at 65,31%; the undergraduate students at 22,32%.

At the level of student performance, the success rate of our undergraduate students is currently at 90,65%, which exceeds our 2016 target. Our postgraduate qualifications awarded have since 2008 seen a significant increase (from 284 in 2008 to 527 in 2010 and 482 in 2011).

FACULTY OF ENGINEERING

*Prof Arnold Schoonwinkel
Dean: Faculty of Engineering*



The Faculty of Engineering fared particularly well in 2011 with regard to the University's four strategic focuses as drivers of sustainability and is one of the University's most rapidly growing faculties.

Regarding the first focus, retention of expertise, Engineering comfortably exceeds the University's average for academics who hold doctorates, researchers who have been rated by the National Research Foundation and the number of postgraduate students who graduate. One of the measures that were taken to retain and extend this strong academic expertise base was the establishment of a Dean's Fund, among other things so that world-class academics could be appointed in an inspiring learning environment that will attract the best students.

The diversity of administrative, technical and service staff is very representative. Academic staff from the designated groups increased from 7,25% in 2005 to 23% in 2011, which is proportionally better than the available source of appropriately qualified people in engineering practice. Despite the reasonably small number of black, coloured and Indian matriculants who achieve good marks for Mathematics and Physical Sciences, the Faculty was able to use targeted marketing that led to it being able to register 19% first-year students from the designated groups in 2011, compared to 14% the previous year. This targeted marketing includes an annual event during which black, coloured and Indian students and their parents are informed by engineers from these communities why studying engineering at Matieland is recommended. The annual Women in Engineering afternoon, which has been presented with great success for nine years already, has also contributed to an increase in women students to 20%. Departments therefore now have a larger pool from which they can attract promising graduate women engineers to enter an academic career.

Regarding student success, the module success of 83,7% for the BEng degree is well above the average at the University. The first-year retention rate for white students is 92%, and for black, coloured and Indian students it is 87%. Although both these figures are above the University's aim of 85%, the Faculty is trying to raise the success of black, coloured and Indian students to the same level through its mentor and tutor programmes. An extended degree programme for Engineering was introduced in 2011 to help students with an inadequate school background to master the BEng programme. This offers alternative access to the Faculty's BEng programmes and entails one extra year of study that precedes the mainstream degree programme. A lot of effort is also made to promote accessibility by offering

multilingual teaching. Thanks to a combination of parallel medium instruction and real-time interpreting, the Faculty has a multilingual index of 126%, which is the highest at the University. The Faculty has also been in the privileged position of attracting the largest number of the University's top first-year students since 2010, which might also have a positive effect on student success.

Intensive marketing and recruitment have been undertaken over the past few years. This was done in response to a request from the Department of Higher Education and Training (DHET) to produce more graduate engineers to try to relieve the immense shortage of engineers in the country. The higher student numbers that resulted from this contributed to the Faculty being able to utilise economies of scale since 2006. As a result, its cost effectiveness improved drastically in favour of sustainability. With the aid of funding received from the DHET and the University Council, a number of construction projects were undertaken to accommodate the growing student corps. Among the most important of these are a building that will house the new Engineering and Forestry Library, two large lecture halls and two research centres, namely the Centre for Renewable and Sustainable Energy Studies, and the MIH Media Laboratory. Large extensions to the Department of Process Engineering include, among others, spacious undergraduate laboratory space, offices and seminar rooms. These buildings have both been designed with a view to environmental friendliness and sustainability.

The Faculty has thrown its weight behind the University's HOPE Project. In the first two years of the Project the Faculty received R38 million initial capital from the University Council for its initiatives and has already exceeded by far its targets for master's and doctoral enrolments, as well as publication outputs. The Faculty's third-stream income from these initiatives is already R58 million – a new University record.

On behalf of Stellenbosch University, the Faculty of Engineering contributes to alleviating the acute shortage of engineers in South Africa. With its good track record in all spheres in 2011, the Faculty hopes to continue its solid contributions to the progress and sustainability of the University, the engineering industry and South Africa in the future.



FACULTY OF HEALTH SCIENCES

Prof Jimmy Volmink
Dean: Faculty of Health Sciences

The Faculty of Health Sciences continued its tradition of top-notch performance in 2011 and continued to excel in terms of student success, research output, grant-income generation and community involvement.

Our strategic vision is underpinned by the philosophy that people are motivated to achieve within an environment where they feel valued. Accordingly, we are actively building a working, living and learning space where students and staff are respected, supported and acknowledged, and where a high premium is placed on harnessing the ideas and talents of our increasingly diverse campus community.

An independent equality impact assessment of the student experience was conducted during the past year to determine where issues of equality, diversity and transformation (ED&T) have helped or hindered student success. The response to this initial phase of assessment has been overwhelmingly positive, and implementation of an ED&T action plan will follow in 2012. In addition, a team was established to develop and implement a programme aimed at promoting staff health and wellness. This programme will link to, and strengthen, the University's Wellness Programme.

In 2011 the Faculty of Health Sciences not only maintained its top ranking among the University's faculties with regard to undergraduate success, but for the first time in its history produced a harvest of ten medical doctors who obtained their degree cum laude. The year also saw the full establishment of the Ukwanda Rural Clinical School (RCS), enabling a group of eight MB,ChB students to complete their entire final year of training on a rural platform – another first for the Faculty (see page 17). All of these pioneers excelled in their final examinations, and one graduated with distinction.

A second group of 21 MB,ChB students has accepted placement at the RCS for 2012, and we hope to eventually provide continuous, year-long rural training for at least 30 medical and allied health sciences students each year. The RCS is a unique educational innovation in South Africa that we hope will serve as a hub for a multifaculty programme focussing on sustainable rural development in years to come.

The Faculty actively encourages people to do more to care for our planet. Its Green Committee has compiled a report titled Greening up the campus, which highlights issues relating to energy and water consumption, draws attention

to the need to assess travel, food consumption and land use, and makes several attainable recommendations for reducing the Faculty's carbon footprint.

Third-stream income constitutes an important aspect of the sustainability of our business. It therefore is pleasing that the increase in procurement of external grant funding has continued relatively unabated despite the current global economic crisis. Income from large grants has continued to show significant growth – from less than R20 million in 2005 to approximately R157 million in 2010, an amount that exceeds the total budget allocated to the Faculty from central University sources.

The quest to combine global excellence with local relevance remains the driving force behind all the activities of the Faculty, and good progress is being made in this regard. Our students, researchers and teachers have in the past year again enjoyed numerous accolades on the home front and abroad. In addition, our research has been published or featured in leading journals, such as the *New England Medical Journal* and *Science*. A competitive bid, in 2011, led to the Faculty being selected by the World Health Organization to host two African Network for Drugs and Diagnostics Innovation (ANDI) centres. The Department of Biomedical Sciences will host a Centre of Excellence in TB Translational Research, and the Centre for Infectious Diseases will host the ANDI Centre of Excellence for HIV Translational Research.

Furthermore, new partnerships have been established with leading academic institutions, such as Sweden's Karolinska Institute and Makerere University in Uganda, with joint PhDs being planned for initiation in 2012. Partnerships with the private sector have also flourished – one example of this being a collaboration with the pharmaceutical company Novartis that has led to the establishment of an annual Clinical Science Workshop and the allocation of 30 bursaries for students following an MSc in Clinical Epidemiology.

The Faculty continually strives to improve its performance. A comprehensive external review of our research has been commissioned for 2012 to identify more clearly areas of excellence, as well as areas in need of development and renewal.

FACULTY OF LAW

Prof Gerhard Lubbe
Dean: Faculty of Law



The Faculty's HOPE initiative relating to the eradication of poverty and related conditions was concluded formally with an international colloquium held from 29 May to 1 June. By means of an increase in postgraduate registration and graduates and the partial funding of postgraduate students by the Ciucci Law Development Initiative, this HOPE initiative contributes to the financial sustainability of the Faculty and to postgraduate diversity. It also provided insights into the use of constitutional rights, legal processes and institutions to alleviate poverty and social inequality in South Africa. As *amici curiae*, the members of the project made valuable inputs regarding the realisation of socioeconomic rights to support parties in constitutional litigation.

The aim of a new postgraduate project on human rights and constitutional democracy is to strengthen and extend socially relevant research and postgraduate training with a view to excellence and financial sustainability in the mainstream activities of the Faculty. Besides the existing themes such as democracy, participation and citizenship, the constitutional right to property, land reform and socio-economic rights, discrimination and social security, and administrative justice, aspects such as government tenders and contracts and procurement procedures and the protection of women and sexual preferences are also being drawn into the project. In addition to the financial support from the Ciucci Law Development Initiative, financial support has been obtained from the Claude Leon Foundation as of 2012.

The expertise base has been strengthened through developments with regard to these and other strategically important fields of knowledge. The appointment of Prof Owen Dean to the Anton Mostert Chair of Intellectual Property Law as of 1 July, and a successful international conference under the banner of this chair at the beginning of September strengthened the Faculty's footprint in this field. A developing focus on public procurement in Africa led to an international conference as the conclusion of a project by Profs Geo Quinot and Phoebe Bolton in partnership with the Public Procurement Research Group of Prof Sue Arrowsmith of the University of Nottingham, and led to the establishment of a Unit for Public Procurement in Africa. This initiative, as well as workshops on International Labour and Social Security Law, arranged by Prof Ockert Dupper with support from the *Konrad Adenauer Stiftung*, involves not only academic participants, but also policy makers from government bodies in South and southern Africa. Prof Oliver Ruppel is the driver of initiatives in the sphere of environmental law and climate change. A colloquium on family law, a workshop on corporate governance in collaboration with the *Jus Commune Onderzoekschool* of the Universities of Maastricht, Leuven, Utrecht and Amsterdam, and a successful short course in July on the controversial new Companies Act completed

a full academic agenda. The national conference of the Society of Law Teachers of Southern Africa was organised by the Faculty in February this year.

With a success rate of 86% for undergraduate students, the Faculty already exceeds the University's objective for 2015. The further unfolding of the Faculty's comprehensive plan for the development of writing and research skills through the development of a module in writing skills and the use of writing consultants to support undergraduate students with writing assignments in writing-intensive modules supports student success.

With the aid of enrolment management by means of the selection system, progress is being made towards the realisation of the 2015 aim of increasing the percentage of undergraduate black, coloured and Indian students from 24% to 33%. The Ciucci Law Development Initiative, in partnership with the Dean's Fund of the Faculty of Law, introduced ten Giuseppe and Kathleen Ciucci recruitment bursaries for newcomer first-year students from previously disadvantaged communities in the Law Faculty at the start of 2011. These bursaries supplement the existing Stonehage First-year Scholarship recruitment bursary scheme, which was established by the Stonehage Charitable Trust and the Dean of the Faculty of Law in 2009, and are of indispensable importance with a view to the diversification of the student profile.

As a result of a shortage in the market of experienced and competent legal academics, more specifically in the fields of Private and Mercantile Law, black, coloured and Indian people are significantly underrepresented in the academic staff. In addition to efforts to develop and promote existing members of staff from the designated groups and to cultivate students with academic potential from our own ranks, innovative remuneration strategies and Legacy funding should play an important role in countering this risk.



FACULTY OF MILITARY SCIENCE

Prof Edna van Harte
Dean: Faculty of Military Science

The Faculty of Military Science is a unique faculty at tertiary level in South Africa and exists through a contractual agreement between the Department of Defence and Stellenbosch University. Its mission is to provide professional military education to candidates and commissioned officers of the South African National Defence Force, most of whom study full-time at undergraduate level at the Military Academy in Saldanha. Students can qualify with a Higher Certificate in Military Studies, or a Bachelor's, Honours, or Master's degree in Military Science. In addition, the Faculty offers three undergraduate programmes on the interactive telematic education platform to uniformed and civilian members of the Department of Defence.

The current leadership of the Military Academy (Dean, Commandant and Chief of Staff) left the Academy at the end of December 2011. The Secundus Dean, Dr MSTshehla, has been appointed the new Dean from 1 January 2012.

Vacancies are an ongoing challenge in government departments, but the Faculty of Military Science is encouraged by the eleven new members appointed, two from our "grow your own timber" pool. Unfortunately staff losses from natural attrition are still a problem, because they are difficult to replace.

Our international profile is strong because our Faculty is known globally in military circles, and Stellenbosch University enjoys recognition through these international visits.

In the course of the year we were privileged to welcome the Parliamentary Review Board on Defence. Amongst the many delegations that were received was a fact-finding mission from the University Council on 18 November 2011.

Vibrant capacity-building programmes aimed at the Faculty management, the Faculty as a whole, and postgraduate students, were presented, focusing on teaching, research and community interaction. A number of academics and two postgraduate students presented papers at international academic conferences. Serious attempts are being made to grow our research output. Two editions of the Faculty journal, *Scientia Militaria*, were published; this accredited journal is among the first open-access journals at the University.

Our efforts to strengthen our knowledge base by improving the qualifications of our Faculty members bore fruit, as we gained four new associate professors. The Faculty now has a record number of members who have been promoted to the rank of associate professor, as well as members who hold doctorates.

The students are now predominantly black, correctly reflecting the demographic profile of the country, and there

is now some concern about the under-representation of white and Indian students. The proportion of black, coloured and Indian staff members has increased from 28% to 45%. The present challenge to the Faculty is the serious under-representation of women. The institutional climate needs to become more welcoming to women.

The poor academic performance of a number of students remains a concern. An analysis of the situation points to personal and social issues, fears about their Department of Defence contracts, a reluctance by some to be at the Military Academy, and underpreparedness for tertiary education. The Department of Defence needs to bring back the Preparatory Certificate in Military Studies Programme as an initiative to provide a bridging programme that can result in an increased throughput rate.

Despite the challenges we face, we are still succeeding in producing students who are top achievers, as is evident from the two recent postgraduate students who graduated from the University cum laude, as well as from the largest-ever group of students to graduate in the Faculty through the interactive telematic education platform this year.

Our systemic sustainability is secured by the Department of Defence. Our Faculty members have been encouraged to increase third-stream funding, and some have been successful in receiving NRF, FINLO and collaboration grants. About 450 000 Danish kroner have been raised for the Military Strategic Theory and Military Culture Conference.

As the outgoing Dean, I would like to express my deep appreciation to the students and staff of the University and the Military Academy, as well as all the other people who have helped the Faculty of Military Science to accomplish its mission over the past five-and-a-half years. Special words of thanks go to the Chief of the South African National Defence Force, Lt Gen SZ Shoke, to Dr P Clüver (Chair of the University Council), and to the University's Rector, Prof HR Botman and his Management Team, for their ongoing support. It has been a privilege and an honour to serve the Department of Defence and Stellenbosch University in their mission to provide professional military education to future military leaders.

FACULTY OF SCIENCE

*Prof Eugene Cloete
Dean: Faculty of Science*



The acknowledgement granted to the Faculty of Science this year by achieving 331st place for science outputs in the Quacquarelli Symonds (QS) World University Rankings is a true feather in the cap for all the members of staff and students in our ranks.

It proves the still-growing influence of our academics in South African and international ranks and the quality of their research outputs. The substantial increase in publications and opportunities for contract research over the past three years does not only motivate our academics, but has a most definite influence on our coffers, and permits the funding of extensive academic and research activities by our own ranks. The Faculty furthermore continuously endeavours to be allocated additional centres of excellence and chairs within the South African Research Chair Initiative (SARChI), which can support our research activities in the long term by way of outside funds. We believe that this positive trend will help ensure the sustainability of our initiatives.

Thanks to support from the Central Analytical Facility, equipment to the value of R30 million was installed in our Faculty this year, including advanced research equipment to facilitate the dating of rocks by South African geologists and mining experts. The teaching laboratory in the Department of Physiological Sciences can furthermore boast advanced microscopes. In addition to the refurbishment of our Polymer Science Building at a cost of R25 million, a number of projects to improve post-graduate venues and laboratory space were completed successfully.

The introduction of two new positions for vice-deans points to the Faculty's continued commitment to strengthen both teaching and research in the sciences. The posts are filled by Prof Ingrid Rewitzky, executive head of the Department of Mathematical Sciences (Mathematics, Applied Mathematics, Computer Science), and Prof Terry Robinson, a former chairperson of the Department of Botany and Zoology.

Our outgoing vice-dean, Prof Doug Rawlings, did exceptional work in the service of the Faculty. His pioneering work on biomining research and leadership in the scientific academy in South Africa was honoured appropriately when he was awarded the Havenga Prize for Life Sciences by the *SA Akademie vir Wetenskap en Kuns* (South African Academy for Science and Art). Our Dean, Prof Eugene Cloete, was appointed to the board of the Council for Scientific and Industrial Research (CSIR).

Among our emerging researchers, the chemical biologist Prof Erich Strauss of the Department of Biochemistry received the Beckman-Coulter silver medal from the South

African Society of Biochemistry and Molecular Biology (SASBMB), while computer scientist Prof Konrad Scheffler of the Department of Mathematical Sciences was awarded the TWAS-AAS-Microsoft Award for young scientists in Africa. Biotechnologist Dr Nox Makunga received an award from the National Science and Technology Forum (NSTF), while evolutionary genomics expert Prof Savel Daniels was a finalist for the same award.

The number of academics who have been rated by the National Research Foundation (NRF) increased from 84 to 92 this year. This includes the award of a P-rating as a promising young scientist to ecological mathematician Dr Cang Hui of the DST-NRF Centre of Excellence for Invasion Biology (CIB) in the Department of Botany and Zoology. This rating acknowledges his ability to develop into a world leader in his field of research.

Our staff corps is showing clear signs of rejuvenation and diversification, with about 30% of our employees being under the age of 40. This has been made possible over the past three years through a policy of replacing professorships that become vacant as a result of retirement with lecturers or senior lecturers in order to broaden the career options of emerging scientists at the University.

The expertise of our retired professors definitely plays a formative role in our mentorship programme for young scientists, and in this way the high-quality publications of academics who remain on as research fellows after retirement are now set off.

The initiative through which we provide a financial reward to our PhD students who complete their studies within three years appears to be a definite incentive, since the average rate at which doctorates are completed has already dropped to three and a half years. Our undergraduate throughput rates also show a good increase, thanks to active interventions such as the introduction of raised admission requirements, as well as our tutor and mentorship and extended degree programmes. Our efforts will be combined in 2012 through a dedicated allocated First-year Science Academy, in which all undergraduate lecturers will be involved.



FACULTY OF THEOLOGY

Prof Nico Koopman
Dean: Faculty of Theology

After a period of dramatic growth on many fronts, the Faculty of Theology is now being challenged to ensure that the growth is not only sustainable, but also built upon.

In the past few years, our students and academic staff have increased in numbers by about one third. Research projects, conferences and public lectures have also increased dramatically. Cooperation with church and social bodies is expanding steadily at the local and international levels. The demands in terms of management, academic quality and social responsibility are intensifying correspondingly.

Our student corps stood at about 500, 70% of them postgraduates. The first-year intake in 2011 was particularly large. The biggest growth in numbers was in youth work – a field of study that has now been available in the Faculty for three years, and that allows students the option of proceeding to a teaching qualification. As regards diversity, our student corps, including our first-year groups, is becoming representative of more and more communities, churches and countries.

Apart from fine academic performance, our students are succeeding in other areas. This year Nadia Marais was awarded the Chancellor's Medal as well as a Mandela-Rhodes scholarship. Louis van der Riet and Kotzé Olivier received Rector's Awards for outstanding leadership and Dawid Mouton for outstanding academic achievement. Various students serve on the house committees of residences or Private Students' Organisation wards, sometimes as head students, and three Theology students will serve on the Students' Representative Council next year: Charl Bouwer broke a world record in the 100 metres free-style at the Pan Pacific Para Games in Canada, and Wolhuter Theron played in the Springbok touch-rugby team in the World Cup Tournament!

The protracted process of curriculum redesign was brought to an end at long last. The new curriculum will be implemented from next year onwards. We really believe it will train and equip our students much better and more effectively in theology and related fields.

Our lecturers' performance remains outstanding. The Andrew Murray Prize for theological specialist literature was again awarded to Prof Dirkie Smit. At the recent conference in celebration of his 60th birthday, he received a Festschrift to which a large number of national and international theologians had made enthusiastic contributions. Several academics received bursaries and awards, and took part in conference proceedings and other events here and abroad. Our research output per academic staff member is still the highest on campus.

Several international conferences have been held by the Faculty. Among the subjects were *Theology, disability and human dignity* and *Human dignity under threat*. Public lectures by several theologians of international stature drew a constant stream of interested outsiders, lecturers and students to the Faculty.

The building project to renovate the Attie van Wijk Auditorium and to provide new offices was completed – just in time to accommodate students from other faculties temporarily while the Wilcocks Building is being renovated after a fire.

Weidenhof House, the house for theological students from other African countries, has recently been restored and extended to house more students more comfortably, and the end result is something really special. It supports us in so many ways – particularly in our focus on Africa, on hospitality and on the promotion of human dignity. Another important development is that the first of the denominational 'houses of study', provided for in the Guidelines for the Church Liaison Council, will shortly come into being through the planned establishment of a DRC/URC seminary. In this seminary the focus will be on ministerial formation with regard to spiritual and moral formation, personal development, skills development and leadership development.

The Anglican Church will soon become the fourth official partner in the Faculty. Two specifically Anglican modules are provided for in the new curriculum.

In line with the core endeavours of the University, the Faculty is committed to creating and sharing appropriate knowledge and skills, to comprehensive student success, to an ethos and epistemology of diversity, and to social, economic and ecological sustainability.

In the coming years we will work hard to ensure the success of our new curriculum – we will be paying special attention to teaching and student success, and to staff wellbeing and development. The Faculty's aims remain foremost in our minds – academic quality, the promotion of diversity, a strong role in the community and especially a focus on Africa. And needless to say, we will be tireless in pursuing Focus on the Promotion of Human Dignity, our research initiative under the HOPE Project. The promotion of human dignity is, after all, at the heart of what the Faculty of Theology is about!

TRIBUTES BY THE UNIVERSITY

HONORARY DEGREES

In the year under review, the University awarded seven honorary doctorates – to Prof Christopher John Robert Dugard, Dr Gerrit Thomas (GT) Ferreira, Prof Detlev Gustav Kröger, Dr Ruda Landman and Justice Pius Nkonzo Langa in December 2011 and to Drs Roelof Botha and David Arthur Piedt in March 2012.



Top: In December 2011 honorary doctorates were conferred on (from left to right) Prof Detlev Kröger, Justice Pius Langa, Dr Ruda Landman, Prof John Dugard and Dr GT Ferreira.

Bottom left: Dr David Piedt, who was honoured with an honorary doctorate in March 2012, congratulated by Prof Russel Botman, Rector and Vice-Chancellor.

Bottom right: Dr Roelof Botha was awarded an honorary doctorate in absentia in March 2012. The certificate was handed over to him during the HOPE Week Celebration after he presented a lecture on entrepreneurship titled A view from Silicon Valley.

Roelof Botha is one of the leading investors produced by South Africa in the era of the internet. He helped with the development of PayPal, a safe and convenient internet payment system, which was subsequently bought by eBay, the well-known internet auction space. He is currently a partner in the venture capital company Sequoia Capital in the USA that recognises and develops the potential of new companies.

John Dugard has contributed significantly to the development of human rights in South African legislation as an internationally respected legal scholar and practitioner. He introduced human rights legislation as a powerful counterweight for the positivist legal culture that characterised the apartheid legal order and played a significant role in the constitutional negotiations that lead to a democratic South Africa. As former dean of the University of the Witwatersrand he was associated with several overseas organisations.

GT Ferreira, an innovative leader in the financial sector; was co-founder of Rand Consolidated Investments (RCI), which later amalgamated with Rand Merchant Bank. Under



Ferreira's leadership RCI expanded to such an extent that it later formed the FirstRand Group – with Ferreira as chair and considerable shareholder. Under his leadership the Group began a broad-based black economic empowerment approach that was very innovative at the time.

Detlev Kröger, retired professor in mechanical engineering at Stellenbosch University, is regarded as the foremost world expert in air-cooled power station cooling towers, which are essential to dry regions. For every million rand being spent on energy generation in the world, R50 000 is saved because of research done by him and by students who work under his guidance. His research is applied to the largest power stations in the world. The laboratories he has established are unequalled among universities anywhere in the world.

Ruda Landman has contributed extensively to various fields of the public and community life as a versatile achiever. She is widely regarded as doyenne of investigative television journalism in South Africa. She has helped to transform investigative journalism, and especially the role

of women, to an unprecedented level. She embodies the potential of the visual media, if it functions responsibly, to change the world for the better.

Pius Langa, one of the first judges of South Africa's new Constitutional Court, which he later headed, was a champion for justice and a democratic dispensation. He played an important role in the constitutional negotiations that paved the way for the new South Africa, as well as in processes that brought about the transition to a democratic dispensation. He contributed significantly to the development of a constitutional jurisprudence.

David Piedt was a pillar of strength in the Cape Teachers' Professional Association and the *Unie van Onderwysverenigings van Suid-Afrika* during the apartheid years. He believed that good education and teaching would defeat apartheid in the classrooms. As chair of the council of the *Klein Karoo Nasionale Kunstefees* (KKNK), he took the lead for a greater involvement from the whole Afrikaans community. He served on the Stellenbosch University Council's Executive Committee.

CHANCELLOR'S MEDAL

Nadia Marais, who obtained the degrees Master of Theology and Master of Divinity in December 2011, both with distinction, is the University's winner of the Chancellor's Medal for the year under review. The Medal is awarded annually to a final-year or postgraduate student for excellent academic achievement.

This year Marais achieved what others can only dream of. She won the sought-after Mandela-Rhodes scholarship, passed two master's degrees with distinction and also received the Chancellor's Medal.

Her two master's degrees – an MTh, which is a research degree, and an MDiv, which is a professional degree – were respectively awarded in Systematic Theology and Church Ministry.

"I love Theology, so there was no real effort in doing two master's degrees this year. It is my passion, and the Faculty and students supported me. The Faculty of Theology is really amazing; it feels like a family. My degrees were a family effort," Marais says.

But she is not only clever; last year she was also a member of the Students' Representative Council and served in the Academic Affairs Council and also served in the Faculty Board on behalf of the Theological Students' Committee. She was a spiritual leader in the Hartenbos Christian



beach outreach team, served in the choir committee of Canticum Novum, and was chair of the Theological Students' Committee. In addition to all of this, she still found time to participate in the Maties Leadership Retreat, the Brightest Young Minds summit and the Leadership Institute of the Desmond Tutu Diversity Trust.

The Chancellor's Medal was awarded to her for her excellent academic performance, leadership, enthusiasm, passion and dedication, as well as her involvement in a variety of community projects as a volunteer, tutor and mentor.

LOOKING BACK ON HOPE HAPPENING



1



2



3

Food Security Initiative yields **42** master's and **5** PhD graduates so far



4

Learning Commons visited **289 117** times by **14 532** students in 12 months



5



6



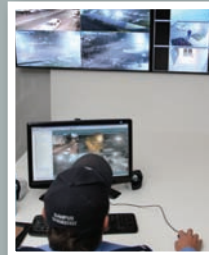
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The **TSAMA** Hub's iShack is ecologically designed to improve quality of life in shack dwellings

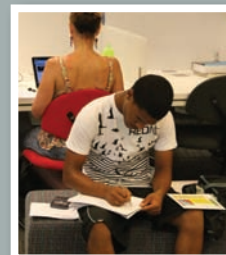


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12

First **8** medical doctors graduate from Ukwanda Rural Clinical School, one with distinction



13

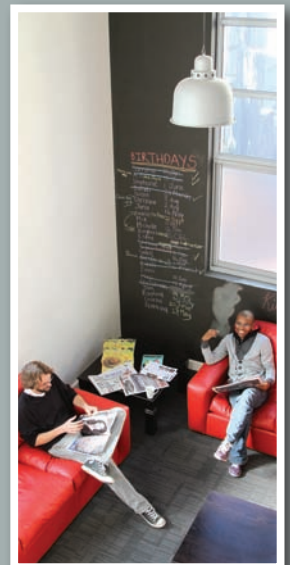
More than **350** school girls reached via Academy for Girls' Leadership and Sport Development



14



15



16

1 SciMathUS students at work 2 iShack prototype in Enkanini, Stellenbosch 3 Food Security Initiative 4 Students in Victoria Street, Stellenbosch 5 In SU Water Institute's water laboratory 6 Solar panel for electricity on iShack's roof 7 A farm worker's daughter, Vanessa Swartz (left), graduates 8 Testing water quality in SU's wine cellar 9 Former SciMathUS students graduate as medical doctors 10 Security Camera Project's control room 11 Process Engineering's distillation characterisation pilot plant 12 Ukwanda Rural Clinical School's first eight medical doctors 13 Learning Commons in JS Gericke Library 14 Ruda Landman receives honorary doctorate 15 SU Water Institute: testing Eerste River's water quality 16 MEDIAAFRIKA's new centre for training journalists



Stellenbosch Water Institute's teabag filter can improve the lives of **300 million** Africans



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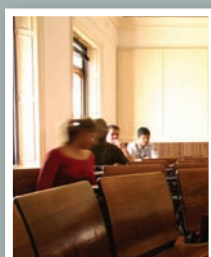
More than **3 500** students (about 15% of student body) benefit from FVZS Institute for Student Leadership development programmes



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76 full-time PhD students at Graduate School and African Doctoral Academy

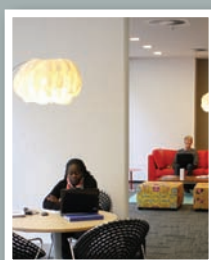


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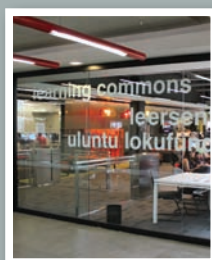
SciMathUS boasts **100% pass rate** and produced more than 600 graduates to date



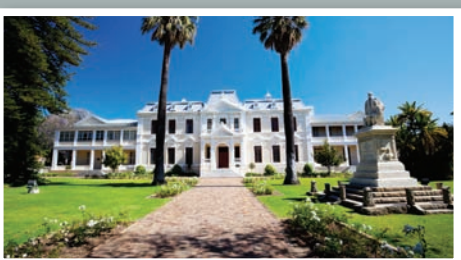
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28



More than **20 000** learners in 145 schools benefit from interactive satellite broadcasts in 7 subjects, raising the matric pass rate from 60,4% to 71,3%



29

30

31

17 Student poster campaign for HOPE Project 18 Women in Engineering afternoon 19 Food Security Initiative 20 Medical students 21 & 22 Students working in the Learning Commons 23 Sportswoman and Sportsman of the Year, Kathleen Taylor and Heerden Herman 24 Faculty of Theology students 25 African Doctoral Academy 26 Jo Barnes concerned about water quality 27 Carnegie Research Commons 28 Graduate School students here with (from left) Profs Botman and Kotzé 29 The Learning Commons in the JS Gericke Library 30 The Faculty of Theology 31 Students working in the Learning Commons

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Financial Report 2011



Report on the Consolidated Annual Financial Statements 2011

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Periperi U

Partners Enhancing Resilience to People Exposed to Risks (Periperi U) is a partnership of higher education institutions in Africa (including SU) that promotes a transdisciplinary knowledge domain at universities in which academics focus their research and teaching on dealing with the continent's disaster risks. Since its foundation, the partnership has produced nine new undergraduate and postgraduate programmes, presented 51 short courses (that reached close on 1 500 participants) and generated 133 research outputs related to Africa's disaster risks. Approximately 200 graduates completed master's degrees in disaster risk-related fields of study. By way of the PhD programme of the Graduate School, 53 doctoral students from 13 African countries currently are enrolled at SU. Of these 53, 77% are citizens of other countries in Africa. The Disaster Mitigation for Sustainable Livelihoods Programme (DiMP) implements projects for Periperi U, for example the promotion of rainwater harvesting, the reduction of urban vulnerability and the strengthening of drought-prone livelihoods.



UNIVERSITY COUNCIL'S STATEMENT on Corporate Governance



Stellenbosch University was established in 1918 under Act 13 of 1916 when the Victoria College was converted into a university.

The University Council (hereafter referred to as the Council) comprises academic and non-academic members, duly appointed and nominated in terms of the Statute of the University, the majority of whom are not staff members or students of the University. The role of the Chair of the Council is separate from the role of the Rector and Vice-Chancellor of the University. Business allocated to the Council for consideration and decision making is set out in the Statute of the University either by established practices or in terms of the Higher Education Act, 1997. The Council is accountable to its various interest groups. The Council ensures that the University is managed in a responsible and transparent manner and is committed to sound management principles. The Council, which meets at least four times a year, consists of 31 members, with 29 positions having been filled. The names of the members appear on page 7. The Council has created structures to ensure that its obligations to all interest groups are duly met at all times. The following Committees of the Council play a direct role in the effective functioning of the University: the Executive Committee of the Council; the Human Resources Committee of the Council; the Audit and Risk Committee of the Council; and the Investment Committee of the Council. All the committees are formally constituted with written mandates and mainly comprise members of the Council who are not staff members or students of the University.

The Executive Committee of the Council, which meets at least five times a year; within its delegated powers makes decisions on behalf of the Council, deals with business on behalf of the Council, advises the Council on policy decisions and in the periods between Council meetings liaises with senior management on matters regarding the functions of the Council. The Executive Committee of the Council consists of seven members, who are also members of the Council. Currently six positions are filled. The Committee also fulfils a monitoring and control function on behalf of the Council in that it makes recommendations on the University's HOPE Project and transformation targets for 2015 and monitors implementation, makes recommendations on the annual operating and capital budgets, and exercises control over progress and results in terms of the approved budgets. The Committee is also responsible for ensuring that the University is financially sound and remains a going concern.

The Audit and Risk Committee of the Council, whose Chair and members are also members of the Council or are external individuals who have the required financial expertise to assist the Committee in the efficient execution of its duties, has been functioning since 31 October 2005 and consists of six members, as set out on page 7. Currently five positions are filled. The Committee meets at least twice a year and the meetings are attended by the internal and external auditors and the University's senior management. The unrestricted access of the internal and external auditors of the University to the Audit and Risk Committee ensures their independence. The Audit and Risk Committee functions in terms of a written Council mandate and is accountable to the Council for the following:

- The safeguarding of assets.
- The operation of suitable systems of internal control.
- Risk management and risk control measures.
- Internal and external audits.
- Compliance with statutory requirements.
- Accounting policy.
- Financial reporting.
- The position of the University as a going concern.

The Human Resources Committee of the Council is responsible for considering matters concerning staff remuneration and fringe benefits and making recommendations to the Council in this respect. The Committee also makes recommendations to the Council on matters concerning general staff policy, service contracts, pension funds, bonuses, performance appraisal frameworks, appointments and promotion of members of senior management, etc. The Committee consists of five members, as set out on page 7. Currently four positions are filled.

The King Code of Governance Principles (King III) has been applicable to all business entities, including universities, since 1 March 2010. In August 2010 the University performed an independent internal audit of the extent of compliance with the applicable King III principles. At that stage the University had already complied with the majority of the principles and since compiled a complete action plan with a view to implementing the outstanding applicable principles.

UNIVERSITY COUNCIL'S STATEMENT

on Corporate Governance (continued)

During 2011 attention was given mainly to the following:

- The implementation of an evaluation process for the Council and council committees.
- The formalisation of a documented risk management policy and plan.
- The updating of regulations of the respective council committees.
- The approval and implementation of the University's delegation powers and policy.

The University subscribes to the philosophy of leadership, sustainability and corporate citizenship as set out in King III. King III requires an explanation of areas of non-compliance by business entities declaring that they comply with the principles. At 31 December 2011 the University did not comply with the following:

| Area | Explanation |
|---|---|
| Statute of the University | The amended Statute was submitted to the Minister of Higher Education and Training in 2010. If the Statute does not meet the requirements of King III, compensating measurements will be put in place to comply with the guidelines. |
| Integrated reporting | The University could not issue a fully integrated report for the year ended 31 December 2011. Plans were put in place to issue an integrated report by 30 June 2016 that comply with King III as well as the Global Reporting Initiative Framework. |
| Succession planning and talent management of Council members | Given that Council members are appointed by various interest groups based on specific expertise, talent management is not possible. Succession planning is done by the respective interest groups responsible for the appointment of their representatives in the Council. |
| Council committees | King III requires the various Council committees to review their regulations annually and the committee to perform a self-assessment biannually. Taking into consideration that some of the committees by nature require biannual meetings, which makes the annual review of these regulations unpractical, the regulations are reviewed and adjusted as and when necessary. For this reason a biannual self-assessment is also not possible. |
| Remuneration disclosure | Pending the amended Regulations for Annual Reporting by Higher Education Institutions that also prescribes disclosure of remuneration, requirements in terms of King III are currently not met. |
| Training register for Audit and Risk Committee members | Given the expertise of the members and the positions they hold, additional training for Audit and Risk Committee members is not deemed necessary. Members will be required to confirm their continuous professional training and development. |
| Combined audit assurance framework and reporting | A combined audit assurance framework is being developed by the Audit and Risk Committee and will be finalised in 2012. |
| Policy on non-audit services | The policy will be compiled and formally approved during 2012. |
| Information technology management | King III has strict requirements with regard to a business's information technology management. Policies have been drafted and will be approved in 2012. |
| Ensuring compliance with legislation | A project has been launched for formulating compliance policy and regulating implementation. This includes the reporting process for material non-compliance or transgression of legislation by the University. |



Effective, efficient and transparent financial management and internal control systems are used to ensure the accuracy of the University's accounting records and the integrity of the data used for the preparation of financial statements.

There are inherent limitations to the efficiency of any internal control system, including the possibility of human error and the circumvention or subversion of control measures. Consequently even an efficient system of internal control can at best only provide reasonable assurance as far as financial information is concerned.

The internal and external auditors assess the effectiveness, efficiency and transparency of financial management and internal control systems. Weaknesses in the systems are brought to the attention of management and, where applicable, to the attention of the Audit and Risk Committee. Steps are taken on a continuous basis to rectify deficiencies of control and offer the opportunity to improve the system as and when deficiencies are identified. In addition, the University has a formal procedure in place for reporting anomalies or fraud.

The University functions in terms of a value system that is set out in its Strategic Framework and has been accepted by the University community. Financial management is based on a set of principles that were adopted by the Council on 19 May 2003 and are revised from time to time. The University has a Policy for the Assurance and Promotion of Ethically Accountable Research. This policy is applied by three ethics committees (one each for research in relation to human participants, the care and use of animals, and environmental and biosafety) to ensure that researchers act in accordance with laid-down ethical norms in every relationship with subjects and objects during their scientific research. The ethical norms set out in the guidelines apply as early as the evaluation of the purpose of the particular research and the subject of research, and are also binding in respect of finance resources, clients, the community, the physical, biological and social environment, the safety of researchers and collaborators, and the personal responsibility of the researcher.

The University has clearly stated its commitment to sustainability. It is entrenched in the University's core functions of learning and teaching, research and community interaction, as required by the Policy for the Integrated Management of Sustainability, accepted by the University Council in November 2010. In addition, within the Millennium Development Goals the University focuses on sustainability by setting as goal the promotion of a sustainable environment and a competitive industry. Sustainability is executed through various academic initiatives such as the Centre for Transdisciplinarity, Sustainability, Assessment, Modelling and Analysis (TsamaHub), the Centre for Renewable and Sustainable Energy Studies and the Sustainability Institute. Various support service environments are also involved with sustainability actions, with especially Facilities Management and Information Technology making a large contribution in decreasing the University's ecological footprint.

Community Interaction (CI) is recognised as a core function at Stellenbosch University and is deliberately integrated with the other core functions of learning and training, and research. The institutional infrastructure for CI at the University includes an updated CI policy, a Senate Committee in charge of CI matters, a central support service department for CI, an updated, electronic, institutional data base of CI projects, 10 selected CI flagship projects supported centrally, a Rector's Award for Excellence in CI, and a Vice-Rector responsible for CI and Staff.

CI and teaching and learning are integrated in the form of service learning and other types of experiential learning. Currently there are more than 30 service learning modules spread over nine of the 10 faculties of the University. CI is integrated with research in the form of community-based research, participating research methodologies, contract research and the targeting of specific social problems. At the University knowledge is regarded, especially within the framework of the HOPE Project, as a critical tool in the search for solutions to serious social problems.

The University therefore is an institution that has built relationships with a large variety of partners at various levels in line with its mission, vision and values as well as its commitment to self-renewal. The University is also a member of the Talloires Network, an international association of socially responsible universities.

The applicable management of human resources is a core and integral component of corporate governance for the University. This requires ongoing cognisance, in a balanced and dialectical manner, of the requirements for the University in a quick-changing political, economic, social and demographic environment. Furthermore, it also includes the proactive, integrated and applicable handling of these environmental stimuli by the University. During 2011 close attention was paid to these and no conflict arose that resulted in a disruption of services. Similarly staff wellbeing was regarded as a priority at the University, and staff and other resources were allocated to attend to this important matter.

In 2011, as in fact every year, a great deal of attention was given to the various policy frameworks for regulating the dynamic interaction of the employees of the University. These policy frameworks are comprehensive, but in 2011 specific attention was given to the Disciplinary and Handling of Grievances Policy, the Sexual Harassment Policy, the Code for Management Practices and the Nepotism Prevention Policy. The University therefore has the necessary policies and procedures in place to offer both the employer and employee sufficient procedural and statutory protection, and these policies and procedures are accessible to both employer and employee and includes access to an independent ombudsperson should staff members or students be of the opinion that they have been treated unfair.

A further manifestation of the University's commitment to sound corporate governance, which is not only directed at

UNIVERSITY COUNCIL'S STATEMENT

on Corporate Governance (continued)

compliance with labour laws, is the treatment of essential restructuring processes. As far as labour law is concerned, ongoing attention is given to the principles of correctness, necessity and equity as well as the transparent treatment of all affected staff, with the necessary participation of such staff and employee structures.

During 2011 line management received ongoing training to enable them to apply policies and procedures affecting staff appropriately and correctly. Success was achieved in this regard, evident from the ethical and procedurally correct manner in which line management handled complex staff matters.

The University endorses the principles of a participative and transparent management style. Three trade unions, namely the National Educational Health and Allied Workers Union (NEHAWU), Solidarity, and the South African Parastatal and Tertiary Institutions Union (SAPTU), to varying degrees are active on the University's campuses and enjoy organisational rights. Agreements of acknowledgement were entered into with both NEHAWU and SAPTU. Staff associations such as the Lecturers' Association, the Administrative Staff Association, the Technical Association and the Employees' Association together with the Women's Forum and the recognised trade unions are consulted on a broad spectrum of human resources matters. The staff associations are also represented in various decision-making structures such as the Health Care Committee, the Board of Trustees of the US Retirement Fund and the Umbrella Employment Equity Forum. A forum for discussions with staff associations was formalised during 2005 and included the conclusion of a memorandum of understanding with University management.

For the University employment equity is not negotiable, which is also evident from the supervisory structures established for this purpose. All employment equity matters are monitored by the Umbrella Employment Equity Forum. People with Disabilities and Sexual Harassment Policies have been implemented and great care is taken to

ensure the balanced composition of all selection panels. Performance management with personal development plans and individual employment contracts is a requirement for all permanent staff.

The participation of students in decision making is important to the University, as also set out in the Strategic Framework.

At a macro level students have a seat in the highest formal structures of authority, such as the Students' Representative Council (SRC) representation in the Council, the Senate and the Institutional Forum. Students are also members of the faculty boards, the Student Fees Committee and the selection committees for the appointment of the Rector and Vice-Rectors. Furthermore, students serve in various important working committees, such as the Bursaries and Loans Committee, the Central Disciplinary Committee, the Library Committee and the Student Accommodation Committee. Student representatives are appointed from the faculties to form the Academic Affairs Council (AAC), the Chair and Vice-Chair of which perform various representative functions in the area of the Vice-Rector (Teaching).

Various advisory forums – for instance for students with special learning needs or HIV/Aids or who are harassed or suffer from substance abuse – also avail themselves of students' skills and knowledge. The Welcoming and Monitoring Work Group who manages the welcoming of newcomer students, consists of various student representatives and all but one of the monitors are from student ranks. Students also have representation in the Student Wellbeing Forum.

The Student Councils of Stellenbosch, Tygerberg and the Military Academy assist with the leadership development of students. The Frederik van Zyl Slabbert Institute for Student Leadership Development at the Centre for Student Affairs presents leadership development events for both positional leaders (including from residences and private student wards) and non-positional leaders. The constitution of the Societies Council makes provision for student societies, headed by a member of the SRC, to play a more structured role in the development of a diverse and healthy student community.

The Chairs of the SRC and the AAC have seats on the Management Team of the Vice-Rector (Teaching). In addition, the Executive Committee of the Students' Representative Council meets monthly with the Management Team of the Rector to discuss general management matters.





UNIVERSITY COUNCIL'S RESPONSIBILITY

for Financial Reporting

The University Council accepts responsibility for the integrity, objectivity and reliability of the consolidated annual financial statements of Stellenbosch University. The responsibility for the preparation and presentation of the annual financial statements has been delegated to management.

The Council is of the opinion that Stellenbosch University, including the subsidiaries and trusts included in the consolidated statements, is operated as a going concern and consequently the annual financial statements have been prepared on this basis.

It is the responsibility of the external auditor to express an independent opinion on the fair presentation of the consolidated annual financial statements, based on their audit. They had unrestricted access to all financial records and related data, including minutes of meetings of the Council and all the committees of the Council.

The Audit and Risk Committee has confirmed that adequate internal financial control systems are maintained

and that there were no material defects in the functioning of the internal financial control systems during the year. The Council is satisfied that the consolidated annual financial statements fairly present the financial position, the results of operations, changes in funds and cash flows in line with the relevant accounting policies based on International Financial Reporting Standards.

Between the year-end and the date of this report no material facts or circumstances have arisen that materially affect the financial position of Stellenbosch University.

The consolidated annual financial statements on pages 74 to 110 were approved by the Council and were signed by:

Mr GM Steyn
Chair of the University Council

Prof HR Botman
Rector and Vice-Chancellor

Mr FE Groepe
Chair of the Audit and Risk Committee

Prof Leopoldt van Huyssteen
Executive Director: Operations and Finance

7 May 2012

INDEPENDENT AUDITOR'S REPORT

to The Council of Stellenbosch University

We have audited the consolidated annual financial statements of Stellenbosch University, which comprise the consolidated statement of financial position as at 31 December 2011, and the consolidated income statement, statements of comprehensive income, changes in funds and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 74 to 110.

COUNCIL'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Council is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and the requirements of the Higher Education Act of South Africa, and for such internal control as the Council determine is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the

risks of material misstatement of the 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 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 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 financial statements present fairly, in all material respects, the consolidated financial position of Stellenbosch University as at 31 December 2011, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Higher Education Act of South Africa.

REPORT on other Legal and Regulatory Requirements

In accordance with the Public Audit Act and the General Notice issued in terms thereof, we report the following findings relevant to performance against predetermined objectives, compliance with laws and regulations and internal control, but not for the purpose of expressing an opinion.

PREDETERMINED OBJECTIVES

We performed procedures to obtain evidence about the reliability of the information in Table 5 on the ministerial enrolment and effectiveness targets for 2013 as set out on page 18 of 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.

There were no material findings concerning the reliability of the information in Table 5.



COMPLIANCE WITH LAWS AND REGULATIONS

We performed procedures to obtain evidence that Stellenbosch 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 the Higher Education Act of South Africa.

INTERNAL CONTROL

We considered internal control relevant to our audit of the financial statements, the information in Table 5 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

41 Agreed-upon procedures engagements reports have been issued during the year under review covering periods ranging from 1 April 2006 to 31 March 2012. Two reports are in progress at the date of signing of this report.

DONOR FUNDING

8 Donor funding reports have been issued during the year under review covering periods ranging from 1 January 2009 to 31 December 2011.

PricewaterhouseCoopers Inc.

PricewaterhouseCoopers Inc.
Director: D Adriaans
Registered Auditor
Stellenbosch

7 May 2012



ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated annual financial statements are set out below. The policies are applied consistently for all periods covered by these consolidated annual financial statements.

1. BASIS OF PREPARATION

The consolidated annual financial statements of Stellenbosch University are prepared in accordance with International Financial Reporting Standards (IFRS). The consolidated annual financial statements are prepared on the historical cost basis, as amended by the revaluation of investments available for sale, endowments and investment properties.

In the preparation of these consolidated annual financial statements in accordance with IFRS a number of critical accounting estimates are relied upon. Management has to use its discretion in applying the University's accounting policies. Areas requiring greater discretion, and areas involving significant assumptions and estimates, are discussed in note 1 to the consolidated annual financial statements.

Standards, interpretations and amendments to published standards not yet effective

Certain new standards, amendments and interpretations relating to existing standards compulsory for accounting periods commencing on or after 1 January 2012 or later and not early adopted by the University have been published. The University will apply these amendments in the applicable period, if applicable. The amendments to and interpretations of the standards are as follows:

| | |
|-------------------------------|---|
| IFRS 1 (Amendment) | First-time Adoption of International Financial Reporting Standards (effective from 1 July 2011) |
| IFRS 7 | Financial Instruments: Disclosures (effective from 1 July 2011) |
| IFRS 7 (Amendment) | Financial Instruments: Disclosures (effective from 1 January 2013) |
| IFRS 9 (2010 and 2011) | Financial Instruments (effective from 1 January 2013) |
| IFRS 9 (2011) | Financial Instruments (effective from 1 January 2015) |
| IFRS 10 | Consolidated Financial Statements (effective from 1 January 2013) |
| IFRS 11 | Joint Arrangements (effective from 1 January 2013) |
| IFRS 12 | Disclosures of Interests in Other Entities (effective from 1 January 2013) |
| IFRS 13 | Fair-value Measurement (effective from 1 January 2013) |
| IAS 1 (Amendment) | Presentation of Financial Instruments (effective from 1 July 2012) |
| IAS 12 (Amendment) | Income Taxes (effective from 1 January 2012) |
| IAS 19 (Amendment) | Employee Benefits (effective from 1 January 2013) |
| IAS 27 (Amendment) | Consolidated and Separate Financial Statements (effective from 1 January 2013) |
| IAS 28 (Amendment) | Associates and Joint Ventures (effective from 1 January 2013) |
| IAS 32 (Amendment) | Financial Instruments: Presentation (effective from 1 January 2014) |

Management is of the opinion that the new standards, interpretations and amendments above other than IFRS 9 will not have a material impact on the consolidated annual financial statements of the University. Management is investigating the impact of IFRS 9 on the financial statements.

2. BASIS OF CONSOLIDATION

Subsidiaries

All entities in which the University, directly or indirectly, has an interest of more than half of the voting rights, or otherwise



is able to exercise control over activities, are included in the consolidated annual financial statements. The purchase method is used to bring the acquisition of subsidiaries to book. The cost of an acquisition is measured as the fair value of assets transferred and liabilities assumed at the date of the transaction, including any transaction costs. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at fair value.

The surplus of the cost of acquisition over the fair value of the group's share of identifiable net assets is accounted for as goodwill. The results of subsidiaries acquired during the year are included from the date on which effective control was obtained. Subsidiaries are deconsolidated from the date on which effective control ends.

Intergroup transactions, balances and unrealised profits on transactions between the University and its subsidiaries are eliminated. Unrealised losses are also eliminated, but are treated as a potential indicator of impairment of the underlying asset. The accounting policies of subsidiaries are adjusted during consolidation, where necessary.

Associate companies

An associate company is a company, other than a subsidiary, in which the University holds an investment and on which it can have a significant influence due to the size of its investment. The results of associates have been accounted for by using the equity method. The equity method involves the recognition of the interest of the University and its subsidiaries in the postacquisition profits and losses of associate companies in the consolidated income statement and the postacquisition movements in reserves in the consolidated statement of comprehensive income.

The cumulative postacquisition movements are adjusted against the carrying amount of the investment in the associate company. The recognition of the share of the University and its subsidiaries in losses of associate companies is limited to the interest in the associate company. Additional losses are only recognised to the extent that the University and its subsidiaries have guaranteed the debt of the associate company.

Intergroup transactions, balances and unrealised profits on transactions between the University and its associate companies are eliminated to the extent of the University's interest in the associate companies. Unrealised losses are also eliminated but are treated as a potential indicator of impairment of the underlying asset. The accounting policies of associate companies are adjusted, where necessary, in applying the equity method.

3. FOREIGN EXCHANGE

Functional and presentation currency

Items included in the consolidated annual financial statements are measured by using the currency of the primary economic environment in which the University operates (the functional currency). The consolidated annual financial statements are presented in South African rand, the functional and presentation currency of the University.

Transactions and balances

Foreign exchange transactions are accounted for at the exchange rate ruling on the date of the transaction. Profits and losses arising from the settlement of such transactions and the conversion of monetary assets and liabilities denominated in foreign currency are recognised in the consolidated income statement. These balances are converted at exchange rates ruling at year-end.

4. PROPERTY, BOOKS AND EQUIPMENT

Land and buildings mainly consist of lecture halls, laboratories, residences and administrative buildings. Land and buildings are shown at historical cost less accumulated depreciation, excluding donations of land and buildings valued by sworn valuers at the date of donation. The University has applied the exemption from IFRS 1 in terms of which the market value of buildings at the date of conversion (1 January 2004) is the deemed cost.

Historical cost includes direct costs associated with the acquisition of the item. Postacquisition costs are added to the original cost, or recognised as a separate asset, only when it is probable that future economic benefits associated with the item will flow to the University and the cost can be measured reliably. All other repair and maintenance costs are recognised in the income statement in the period in which they are incurred.

Books and equipment are shown at cost, excluding donations of books and equipment that are valued at fair value by sworn valuers at date of donation.

Land is not depreciated, as it has an unlimited useful life. Other assets are depreciated by using the straight-line method to write off cost or revalued amounts to residual values over their useful life.

ACCOUNTING POLICIES (continued)

4. PROPERTY, BOOKS AND EQUIPMENT (continued)

Residuals and depreciation rates are as follows:

| | Residual value 2011 | Depreciation 2011 | Residual value 2010 | Depreciation 2010 |
|--------------------|------------------------|----------------------|------------------------|----------------------|
| | % | % | % | % |
| Land | 100 | - | 100 | - |
| Buildings | - | 1,3 – 20,0 | - | 1,3 – 20,0 |
| Computer equipment | - | 33,3 | - | 33,3 |
| Other | 0 – 40 | 5 – 25 | 0 – 40 | 5 – 25 |
| Library books | - | 100 | - | 100 |

The useful life of property, books and equipment are reviewed annually and, if necessary, adjusted.

If the carrying value of an asset exceeds its realisable value, it is written down to the realisable value.

Profits and losses on the sale of assets are recognised in the consolidated income statement and represent the difference between the proceeds and the carrying amount on the date of sale.

5. INTANGIBLE ASSETS

Purchased computer software licences are capitalised at the cost incurred to obtain and use the specific software. This cost is amortised over the expected useful life of the software. The expected useful life of software in this category at year-end is 10 years. Postacquisition costs incurred in the maintenance of computer software are recognised as expenses in the period in which incurred.

6. FINANCIAL INSTRUMENTS

Financial instruments include cash and cash equivalents, investments, receivables and loans, trade and other creditors, borrowings and short-term debt instruments. Financial instruments are initially recognised at fair value, including transaction costs. Conventional buying and selling of financial assets are recognised at date of trade.

The University classifies its financial assets in the following categories: loans and receivables; investments available for sale; and financial instruments carried at fair value, with adjustments through profit and loss in the income statement. The classification is determined by the purpose for which the asset was acquired. Management determines the classification at initial recognition.

Loans and receivables

Loans and receivables are non-derivative financial instruments with fixed or determinable repayments not quoted in an active market. Loans and receivables are initially measured at fair value. Where amounts are only payable 12 months from year-end, they are included in non-current assets, otherwise in current assets.

Loans and receivables are shown at amortised cost by using the effective-interest-rate method and after provision for impairment of the outstanding amount. A provision for impairment is raised in the event of objective evidence that all outstanding amounts will not be collected in accordance with the original terms. The amount of the provision is the difference between the carrying amount and the recoverable amount, being the current value of the expected cash flows, discounted at the effective interest rate.

Significant financial difficulty and failure to pay outstanding debt are deemed indicators of impairment. The carrying amount of the asset is decreased by raising a provision. The amount of the impairment is recognised in the consolidated income statement as operating expenditure. When the debt or loan becomes irrecoverable, it is written off against the provision. Subsequent recoveries of any amounts previously written off are credited to the consolidated income statement as operating expenditure.

Trade and other receivables, excluding forward foreign exchange contract assets, are classified as loans and receivables.

Cash and cash equivalents, classified as loans and receivables, consist of cash on hand, call deposits, investments in money market instruments and bank overdrafts.



Investments available for sale

Investments are classified as 'available for sale' and are shown at fair value by using relevant valuation methods. Investments are included in non-current assets, unless the University intends to dispose of the investment within 12 months from year-end. Purchases and sales of investments are recognised at the date of trade, i.e. the date on which the University commits itself to the purchase and sale. Changes in fair values are shown in the statement of comprehensive income. The difference between the net selling proceeds and the cost of the investment is transferred from the fair-value reserve to the consolidated income statement on disposal.

Investments are derecognised when the right to cash flow expires or is transferred or the University has transferred the significant associated risks and benefits of ownership.

Changes due to exchange rate differences are distinguished from fair-value changes in instruments denominated in foreign currency and classified as available for sale. Exchange rate gains and losses are recognised in the consolidated income statement. Movements in the fair values of these investments are recognised in the statement of comprehensive income.

The fair values of listed investments are based on current market prices. The University determines the value of unlisted investments and investments in respect of which there is no active market by using relevant valuation techniques.

The University assesses at each year-end whether there is objective evidence of impairment of a financial asset. A significant decline in the fair value of the investment below its cost over a period is indicative of impairment. If there is such evidence for investments available for sale, the cumulative loss is transferred from the fair-value reserve to the consolidated income statement.

The cumulative loss is calculated as the difference between the acquisition cost and the current fair value net of any decline in value recognised in previous periods. Impairment losses recognised in the consolidated income statement are not reversed on later recovery.

Derivative instruments

Derivative instruments, including forward foreign exchange contracts, are classified as 'at fair value through profit and loss'. These instruments are recognised at fair value at the date the derivative contract was entered into. In subsequent periods it is revalued at fair value. Profits and losses on derivative instruments are recognised in the consolidated income statement.

Trade and other payables and short-term debt instruments

Trade and other payables, excluding forward foreign exchange contract liabilities, are initially recorded at fair value. Thereafter they are shown at amortised cost by using the effective-interest-rate method.

Interest-bearing borrowings

Borrowings are initially recognised at fair value, taking into account any transaction costs incurred. After initial recognition borrowings are carried at amortised cost. Differences between the initially recognised amount and the redemption amount are recognised in the consolidated income statement over the term of the loan by using the effective-interest-rate method. Borrowings are shown as current liabilities, except where the University has an unconditional right to defer payment for at least 12 months after year-end, in which case these are shown as non-current assets.

7. RESEARCH AND DEVELOPMENT COSTS

Research and development costs are written off in the year in which occurred, since both are inherent in the normal operations of the University.

8. DONATIONS

Donations are recognised at fair value at the date of the donation, based on external valuations.

9. INVENTORIES

Inventories, mainly comprising consumer goods and stationery, are shown at the lower of cost, on the basis of average cost, or net realisable value.

Cost excludes finance charges. Net realisable value is the estimated selling price in the normal course of business, less selling costs.

ACCOUNTING POLICIES (continued)

10. IMPAIRMENT OF NON-FINANCIAL ASSETS

Assets with an indefinite useful life are not depreciated or amortised and are subject to annual testing for impairment. Assets subject to depreciation or amortisation are tested for potential impairment if an event or change in circumstances indicates that the carrying amount of the asset may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of the fair value of an asset, less any selling costs, or its value in use. In the test for impairment assets are grouped at the lowest level for which there is a separate identifiable cash flow (cash-generating units). Non-financial assets previously impaired are reviewed at every year-end for potential reversal of previously recognised impairments.

11. REVENUE RECOGNITION

Income is recognised at the fair value of the amounts or goods received.

Student and accommodation fees are recognised as and when the service is provided.

Central government allocations are recognised in the period for which they are received. Government allocations are recognised where there is reasonable certainty that the allocation will be received and that the University will meet all the associated conditions.

Research grants are recognised over the term of the research and based on the terms of the individual contracts. Conversely, expenditure is recognised when incurred.

Interest income is recognised on a time apportionment basis by using the effective-interest-rate method. On impairment of a receivable the University reduces the carrying amount to the recoverable amount. The recoverable amount represents the future cash flow, discounted at the original effective interest rate. This discount is recognised as interest over time. Interest income on loans in respect of which an impairment has been recognised is recognised at the original effective interest rate.

Interdepartmental income is eliminated.

Other income earned by the University is recognised on the following bases:

- Dividend income – when the shareholder's right to receive a dividend vests, i.e. on the last day for registration in respect of listed shares, and when declared in the case of unlisted shares.
- Rental income – receipts in respect of operating leases are recognised on a straight-line basis in the consolidated income statement over the period of the lease.
- Accidental sales and services – are recognised in the period in which they accrue.

12. LEASES

If the lessor retains the significant risks and benefits associated with ownership of a leased item, the item is classified as an operating lease. Payments in respect of operating leases are recognised on a straight-line basis in the consolidated income statement over the period of the lease.

13. INVESTMENT PROPERTIES

Investment properties are held to generate rental income and to achieve capital growth. Owner-occupied properties are held for administrative, tuition and research purposes. Their use distinguishes owner-occupied properties from investment properties.

Investment properties are deemed long-term investments and are carried at fair value determined annually by external sworn valuers. Investment properties are not depreciated. Any change in value is recognised directly in the income statement.

Owner-occupied properties are recognised and measured in accordance with the accounting policy for property, books and equipment.

14. PROVISIONS

Provisions are recognised when the University has a current statutory or constructive liability as a result of a past binding occurrence that will probably lead to an outflow of resources in the form of economic benefits to meet the liability, and a reasonable estimate of the amount of the liability can be made. Provisions are measured at the current value of the expected future expenditure to meet the liability, discounted at the market-related rate for similar provisions. Changes in the value of provisions due to passage of time are recognised as interest.



15. STAFF BENEFITS

Post-retirement medical benefits and group life insurance scheme

Retired employees receive post-retirement medical benefits. Access to this benefit is restricted to employees appointed prior to 1 June 2002. All employees are required to participate in the group life insurance scheme. The expected costs of these benefits are recognised over the period of employment. The liability in respect of post-retirement medical benefits is the present value of the liability at year-end less the fair value of plan assets and any adjustments for actuarial profits or losses and past service costs. The liability is calculated actuarially by independent actuaries at least once every three years. Actuarial profits and losses are recognised immediately in the consolidated income statement.

Pension liabilities

Contributions are made monthly to the US Retirement Fund, a defined-contribution plan for permanent employees of the University. A defined-contribution plan is a pension plan in terms of which the University makes fixed contributions to an external fund.

Long-service benefits

After 25 years' service employees qualify for a gratuity valued at 50% of the employee's monthly salary (with a minimum value of R400 and a maximum value of R5 000). The University recognises a liability and the concomitant expense as and when the liability accrues.

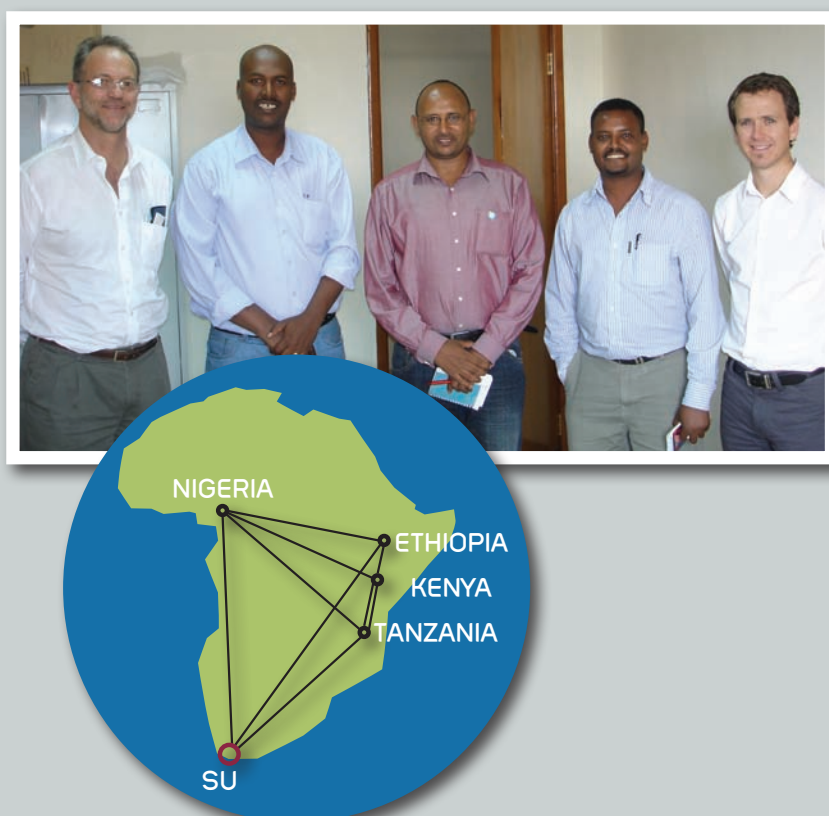
16. DEFERRED TAXATION

Deferred tax is provided by using the liability method. Deferred tax represents the tax effect of temporary differences between the tax bases of assets and of liabilities and their carrying values for financial reporting purposes. Current tax rates are used to determine deferred tax. Deferred tax assets are only recognised to the extent of their recoverability. Deferred tax is not provided if it arises from the initial recognition of assets and liabilities from transactions other than business combinations and at the date of the transaction does not impact accounting profits or losses or taxable income or determined losses.



TRECCAfrica

TRECCAfrica is a consortium of six African universities – SU and the universities of Dar es Salaam (Tanzania), Ghana, Mekelle (Ethiopia), Nairobi (Kenya) and Nigeria (Nsukka) – that focuses on transdisciplinary training in the efficient application of resources in Africa. Through the skills in transdisciplinary research methodologies acquired by its students, and through the research network that these students become, TRECCAfrica creates a potential to generate pertinent knowledge, which is useful in or even essential to the formation of policies on resources. In addition, TRECCAfrica brings together 72 doctoral and master's students from the six universities who in future can join forces against challenges arising from climate change and the depletion of natural resources. "In the past, funding used to be provided for students from Africa to attend universities in Europe. Breaking the mold, TRECCAfrica allows for mobility between universities in different African countries," said Dr Christof Pauw from SU (far right), shown here with (from left) Mr John von Breda (also from SU) and TRECCAfrica colleagues from Ethiopia's Mekelle University Drs Araya Berhe, Amanuel Abraha and Girmay Gebresamuel Abraha.



CONSOLIDATED STATEMENT

of Financial Position at 31 December 2011

| | Notes | 2011 R 000 | 2010 R 000 |
|---|-------|------------------|------------------|
| Assets | | | |
| Non-Current Assets | | 7 350 603 | 6 760 896 |
| Property, books and equipment | 4 | 3 630 459 | 3 354 057 |
| Intangible assets | 5 | 3 189 | 4 580 |
| Long-term investments | 6 | 3 491 862 | 3 217 450 |
| Investment properties | 7 | 57 380 | 55 408 |
| Investment in associate companies | 8 | 9 742 | 5 877 |
| Long-term portion of trade and other receivables | 9 | 150 179 | 119 997 |
| Operating lease asset | 12 | 7 792 | 3 528 |
| Current Assets | | 1 340 961 | 1 262 927 |
| Inventory | 11 | 2 638 | 2 606 |
| Trade and other receivables | 9 | 223 453 | 187 786 |
| Cash and cash equivalents | 25 | 1 114 870 | 1 072 535 |
| Total Assets | | 8 691 564 | 8 023 823 |
| Funds and Liabilities | | | |
| Funds Available | | 7 805 075 | 7 226 706 |
| Unrestricted funds | 2 | 538 930 | 882 778 |
| Restricted funds | 2 | 4 245 068 | 3 363 432 |
| Fair-value reserve | 2 | 481 897 | 441 572 |
| | | 5 265 895 | 4 687 781 |
| Property revaluation reserve | 2 | 2 538 731 | 2 538 731 |
| Non-controlling interests | 2 | 449 | 194 |
| Non-Current Liabilities | | 510 594 | 472 339 |
| Interest-bearing borrowings | 3 | 99 413 | 105 236 |
| Staff benefits | 27 | 411 181 | 367 103 |
| Current Liabilities | | 375 895 | 324 778 |
| Trade and other payables | 13 | 358 842 | 310 818 |
| Deferred tax | 10 | 324 | 218 |
| Short-term portion of interest-bearing borrowings | 3 | 10 457 | 8 327 |
| Short-term portion of operating lease liability | 12 | 4 061 | 3 205 |
| Short-term debt instruments | | 2 210 | 2 210 |
| Total Funds and Liabilities | | 8 691 564 | 8 023 823 |

CONSOLIDATED INCOME STATEMENT

for the year ended 31 December 2011



| | Notes | Educational and General Unrestricted R 000 | Educational and General Restricted R 000 | Educational and General Total R 000 | Student and staff accommodation (Restricted) R 000 | 2011 Total R 000 | 2010 Total R 000 |
|---|-------|---|--|---|--|----------------------------|----------------------------|
| Total Income | | 1 643 094 | 1 592 911 | 3 236 005 | 210 085 | 3 446 090 | 3 109 893 |
| Recurring Items | | | | | | | |
| Government grants | | 925 243 | 323 696 | 1 248 939 | - | 1 248 939 | 1 111 762 |
| Student, accommodation and other fees | | 505 943 | 74 483 | 580 427 | 205 288 | 785 715 | 681 710 |
| Private donations, allocations and contracts | | 45 325 | 945 414 | 990 739 | - | 990 739 | 888 369 |
| Sales of services and products | | 238 | 66 781 | 67 019 | - | 67 019 | 50 278 |
| Subtotal | | 1 476 749 | 1 410 375 | 2 887 124 | 205 288 | 3 092 412 | 2 732 119 |
| Interest and dividends earned | 19 | 69 745 | 121 776 | 191 522 | 4 797 | 196 319 | 188 801 |
| Profit on disposal of property, books and equipment | | - | 4 257 | 4 257 | - | 4 257 | 1 291 |
| Realised profit on disposal of investments | 20 | 85 274 | 51 023 | 136 297 | - | 136 297 | 185 523 |
| Equity profit in associate companies | 8 | - | 3 865 | 3 865 | - | 3 865 | 1 365 |
| Foreign exchange gain | | 11 325 | 1 614 | 12 940 | - | 12 940 | 794 |
| | | 1 643 094 | 1 592 911 | 3 236 005 | 210 085 | 3 446 090 | 3 109 893 |
| Total Expenditure | | 1 236 073 | 1 493 681 | 2 729 754 | 178 293 | 2 908 047 | 2 718 011 |
| Recurring Items | | | | | | | |
| Staff costs | 15 | 867 517 | 447 407 | 1 314 924 | 16 758 | 1 331 682 | 1 197 715 |
| - Academic professional | | 456 144 | 136 879 | 593 023 | - | 593 023 | 539 394 |
| - Other | | 411 373 | 310 528 | 721 901 | 16 758 | 738 660 | 658 321 |
| Other operating expenditure | 17 | 313 000 | 909 801 | 1 222 801 | 160 307 | 1 383 109 | 1 280 501 |
| Depreciation and amortisation | 17 | 55 319 | 123 140 | 178 459 | 1 227 | 179 686 | 175 435 |
| Subtotal | | 1 235 836 | 1 480 348 | 2 716 184 | 178 293 | 2 894 477 | 2 653 651 |
| Loss on sale of property, books and equipment | | 237 | - | 237 | - | 237 | 333 |
| Impairment of property, books and equipment | | - | - | - | - | - | 47 056 |
| Foreign exchange loss | | - | - | - | - | - | 2 739 |
| Finance charges | | - | 13 333 | 13 333 | - | 13 333 | 14 231 |
| | | 1 236 073 | 1 493 681 | 2 729 754 | 178 293 | 2 908 047 | 2 718 011 |
| Allocation to/(from) reserves | | - | 15 160 | 15 160 | (15 160) | - | - |
| Transfer (from)/to reserves | | (316 239) | 332 871 | 16 632 | (16 632) | - | - |
| | | (316 239) | 348 031 | 31 792 | (31 792) | - | - |
| Surplus for the Year | | 90 782 | 447 261 | 538 044 | - | 538 044 | 391 882 |
| Attributable to holder | | 90 782 | 447 006 | 537 789 | - | 537 789 | 391 688 |
| Attributable to non-controlling interests | | - | 255 | 255 | - | 255 | 194 |
| Surplus for the Year | | 90 782 | 447 261 | 538 044 | - | 538 044 | 391 882 |

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2011

| | Educational and general | Student and staff accommodation | Subsidiary companies | Loan funds | Endow- ment funds | Fixed- asset funds | Non- controlling interests | Total |
|-----------------------------------|-------------------------------|---------------------------------------|-------------------------|---------------|-------------------------|--------------------------|----------------------------------|------------------|
| | R 000 | R 000 | R 000 | R 000 | R 000 | R 000 | R 000 | R 000 |
| 31 December 2011 | | | | | | | | |
| Surplus for the year | 537 789 | - | - | - | - | - | 255 | 538 044 |
| Other comprehensive income | | | | | | | | |
| Fair-value reserve | | | | | | | | |
| - Realisation to income statement | (34 401) | (2 586) | - | - | (92 201) | (7 109) | - | (136 297) |
| - Adjustment for the year | 67 574 | 4 908 | (646) | - | 90 197 | 14 590 | - | 176 622 |
| Apportionment (from)/to reserves | (549 342) | 21 627 | 1 854 | 2 073 | 214 123 | 309 664 | - | - |
| Transfers to/(from) reserves | 56 726 | (15 160) | - | 9 257 | (35 899) | (14 925) | - | - |
| Total Comprehensive Income | 78 347 | 8 789 | 1 209 | 11 330 | 176 220 | 302 219 | 255 | 578 369 |
| 31 December 2010 | | | | | | | | |
| Surplus for the year | 391 688 | - | - | - | - | - | 194 | 391 882 |
| Other comprehensive income | | | | | | | | |
| Fair-value reserve | | | | | | | | |
| - Realisation to income statement | (37 204) | (2 869) | - | - | (138 025) | (7 425) | - | (185 523) |
| - Adjustment for the year | 55 054 | 3 759 | 1 809 | - | 213 224 | 10 593 | - | 284 439 |
| Apportionment (from)/to reserves | (822 863) | 23 769 | 2 021 | 6 328 | 506 216 | 284 528 | - | - |
| Transfers to/(from) reserves | 485 288 | (19 599) | - | 12 709 | (374 477) | (103 921) | - | - |
| Total Comprehensive Income | 71 963 | 5 060 | 3 830 | 19 037 | 206 938 | 183 775 | 194 | 490 798 |

CONSOLIDATED STATEMENT OF CHANGES IN FUNDS

for the year ended 31 December 2011



| | Educational and general | Student and staff accommodation | Subsidiary companies | Loan funds | Endow- ment funds | Fixed- asset funds | Non- controlling interests | Total |
|--|-------------------------------|---------------------------------------|-------------------------|----------------|-------------------------|--------------------------|----------------------------------|------------------|
| | R 000 | R 000 | R 000 | R 000 | R 000 | R 000 | R 000 | R 000 |
| Balance at 1 January 2011 | 2 201 418 | 65 497 | 383 | 217 118 | 1 483 992 | 3 258 102 | 194 | 7 226 706 |
| Surplus for the year | 537 789 | - | - | - | - | - | 255 | 538 044 |
| Other comprehensive income | (459 442) | 8 789 | 1 209 | 11 330 | 176 220 | 302 219 | - | 40 325 |
| Balance at 31 December 2011 | 2 279 766 | 74 286 | 1 592 | 228 449 | 1 660 212 | 3 560 321 | 449 | 7 805 075 |
| Balance at 1 January 2010 | 2 129 455 | 60 437 | (3 447) | 198 081 | 1 277 054 | 3 074 327 | - | 6 735 907 |
| Surplus for the year | 391 688 | - | - | - | - | - | 194 | 391 882 |
| Other comprehensive income | (319 725) | 5 060 | 3 830 | 19 037 | 206 938 | 183 775 | - | 98 916 |
| Balance at 31 December 2010 | 2 201 418 | 65 497 | 383 | 217 118 | 1 483 992 | 3 258 102 | 194 | 7 226 706 |

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 December 2011

| | Notes | 2011 R 000 | 2010 R 000 |
|---|-------|------------------|------------------|
| Cash Flow from Operating Activities | | | |
| Cash received from government grants | | 1 248 939 | 1 111 763 |
| Cash received from student, accommodation and other fees | | 755 828 | 662 760 |
| Cash received from private donations, allocations and contracts | | 990 739 | 873 947 |
| Cash received from sale of services and products | | 5 562 | 49 656 |
| Cash paid for staff costs | | (1 269 190) | (1 164 988) |
| Cash paid for inventories and services | | (1 335 281) | (1 267 764) |
| Cash generated by operations | 24 | 396 597 | 265 375 |
| Plus: Interest received | 21 | 147 026 | 159 178 |
| Dividends received | 22 | 50 935 | 39 911 |
| Less: Finance charges paid | 23 | (13 491) | (14 306) |
| Net cash inflow from operating activities | | 581 068 | 450 158 |
| Cash Flow from Investment Activities | | (535 040) | (298 245) |
| Addition to investments | | (240 710) | (245 663) |
| Realised surpluses on investments | | 144 797 | 184 243 |
| Addition to property, books and equipment | | (458 339) | (237 783) |
| Proceeds from disposal of property, books and equipment | | 19 212 | 958 |
| Cash Flow from Finance Activities | | (3 693) | (600) |
| Decrease in interest-bearing borrowings | | (3 693) | (600) |
| Net Increase in Cash and Cash Equivalents | | 42 335 | 151 313 |
| Cash and Cash Equivalents at the Beginning of the Year | | 1 072 535 | 921 222 |
| Cash and Cash Equivalents at the End of the Year | 25 | 1 114 870 | 1 072 535 |



NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS for the year ended 31 December 2011

1. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The estimates and judgements made by Management are evaluated continuously and are based on past experience and other factors, which include future expectations and are deemed reasonable under the given circumstances.

Management makes estimates and assumptions about the future. Consequently the accounting estimates used in the consolidated annual financial statements will not necessarily correspond with the actual outcome in subsequent periods. The estimates and assumptions below may have a material effect on the carrying values of assets and liabilities.

Staff benefits

A number of assumptions are made in the provision for staff benefits. Refer to note 27 for the assumptions.

The main assumption is a health care inflation rate of 7,9% (2010: 7,3%). The effect of a 1% change in health care inflation on the 2011 consolidated annual financial statements will be as follows:

| | |
|-----------------------|---|
| Increase of 1% | <ul style="list-style-type: none"> - 10,9% (2010: 11,4%) increase in past-service liabilities - 12,1% (2010: 12,5%) increase in service and interest costs (contractual liability only) |
| Decrease of 1% | <ul style="list-style-type: none"> - 9,8 % (2010: 9,6%) decrease in past-service liabilities - 10,8% (2010: 10,5%) decrease in service and interest costs (contractual liability only) |

The University's policy on retirement age states that employees may retire at 60 years of age. After age 60 employment may be extended to a maximum age of 65, based on uninterrupted satisfactory performance. Consequently the normal and expected retirement age is deemed 65 years.

Impairment of student fees and loans

The annual provision for the impairment of student loans is based on the assumption that students can obtain loans in the market at prime less 2% on average. This assumption is based on enquiries made at various financial institutions. Provision for impairment of student fees is based on historical trends.

Impairment of investments

The University determines the significance of a fair-value decrease to below market value by taking the volatility of the specific instrument into account. A decrease to below the market value for longer than 12 months is deemed significant.

Useful life and residual values of property, books and equipment

Land is deemed to have an indefinite useful life. Consequently land is not depreciated. The useful life of other assets is estimated in terms of past experience and the features of the specific items.

The residual values of assets other than land are estimated in terms of past experience and the features of the specific items.

Market value of buildings

Two methods are applied in determining the market value of buildings. The first is the directly comparable method, in terms of which value is determined with reference to the actual selling price of comparable property. The second is to base an evaluation on the potential rental income, taking into account the unique nature of the properties of the University and occupation rates.

The revaluation of buildings at 1 January 2004 in terms of IFRS 1, 'First-time adoption of International Financial Reporting Standards', is based on the following key assumptions:

- The buildings will be placed on and traded in the market under normal market conditions.
- The properties of Stellenbosch University will not be placed on the open market at the same time.
- Where there are title restrictions registered against properties that restrict or prohibit their sale, such title restrictions will be removed, where possible, by means of the Removal of Restrictions Act, no. 84 of 1967, before the properties are placed on the market.

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS for the year ended 31 December 2011 (continued)

1. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

Leave provision

Employees are entitled to take their annual leave within seven months following the end of the relevant leave year. In addition, employees appointed before 1 January 2008 are entitled to accumulate a number of days, based on their post level, or to have those days paid out. The balance expires after seven months. In the case of employees appointed after 1 January 2008 all annual leave not taken therefore expires after seven months. The leave of employees older than 60 years is restricted to their post level at the age of 60. No leave may be accumulated post the age of 60. Historical trends in the number of days that has expired are used in calculating the leave provision.

2. FUND BALANCES

The accumulated balances at 31 December are as follows:

| | Restricted R 000 | Unrestricted R 000 | Property revaluation reserve R 000 | Fair-value reserve R 000 | Non- controlling interests R 000 | Total R 000 |
|---------------------------------|---------------------|-----------------------|---|--------------------------------|---|------------------|
| 2011 | | | | | | |
| Educational and general | 2 065 631 | 92 679 | - | 121 457 | - | 2 279 766 |
| Student and staff accommodation | 65 155 | - | - | 9 131 | - | 74 286 |
| Subsidiary companies | 912 | - | - | 680 | - | 1 592 |
| Loan funds | 228 449 | - | - | - | - | 228 449 |
| Endowment funds | 888 432 | 446 252 | - | 325 529 | - | 1 660 212 |
| Fixed-asset funds | 996 489 | - | 2 538 731 | 25 100 | - | 3 560 321 |
| Non-controlling interest | - | - | - | - | 449 | 449 |
| | 4 245 068 | 538 930 | 2 538 731 | 481 897 | 449 | 7 805 075 |
| 2010 | | | | | | |
| Educational and general | 2 023 996 | 89 140 | - | 88 284 | - | 2 201 418 |
| Student and staff accommodation | 58 688 | - | - | 6 809 | - | 65 497 |
| Subsidiary companies | (943) | - | - | 1 326 | - | 383 |
| Loan funds | 217 119 | - | - | - | - | 217 119 |
| Endowment funds | 362 822 | 793 638 | - | 327 533 | - | 1 483 992 |
| Fixed-asset funds | 701 750 | - | 2 538 731 | 17 620 | - | 3 258 102 |
| Non-controlling interest | - | - | - | - | 194 | 194 |
| | 3 363 432 | 882 778 | 2 538 731 | 441 572 | 194 | 7 226 706 |



Restricted and unrestricted funds available are shown at book value in the statement of financial position. The market value of available funds, should the fair-value reserve be distributed, is as follows:

| | 2011 | 2010 |
|--|------------------|------------------|
| | R 000 | R 000 |
| Restricted funds | 4 398 553 | 3 526 289 |
| Unrestricted funds | 867 342 | 1 161 492 |
| Earmarked reserves | 495 400 | 422 811 |
| Unearmarked reserves | 371 942 | 738 681 |
| Funds available at market value | 5 265 895 | 4 687 781 |

3. INTEREST-BEARING BORROWINGS

The accumulated balances at 31 December are as follows:

| | 2011 | 2010 |
|--|---------------|----------------|
| | R 000 | R 000 |
| Two government loans at varying interest rates, repayable in equal biannual payments ending 2012 and 2018 respectively | 758 | 983 |
| Various loans from insurance companies at varying interest rates and terms, repayable in biannual payments | 361 | 1 341 |
| Various loans from other financial institutions at varying interest rates and terms, repayable in biannual payments | 65 371 | 71 398 |
| Bank facility for financing the University's various motor vehicle schemes | 43 380 | 39 841 |
| | 109 870 | 113 563 |
| Less: Portion repayable within one year | (10 457) | (8 327) |
| | 99 413 | 105 236 |

The average interest rate on borrowings amounts to 9,4% (2010: 10,2%) at year-end.

Included in interest-bearing borrowings are motor vehicle loans of R7,0 million (2010: R17,1 million), for which motor vehicles are encumbered (refer to note 4). Motor vehicle loans owing by employees are included in trade and other receivables (refer to note 9). All the loans, except the motor vehicle schemes, have fixed interest rates. Motor vehicle scheme rates are linked to prime.

The maturity dates of interest-bearing borrowings are as follows:

| | 2011 | 2010 |
|----------------------------|----------------|----------------|
| | R 000 | R 000 |
| Within one year | 6 796 | 542 |
| Between two and five years | 57 079 | 67 798 |
| After five years | 46 056 | 45 223 |
| | 109 931 | 113 563 |

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS for the year ended 31 December 2011 (continued)

4. PROPERTY, BOOKS AND EQUIPMENT

| | 2011 | | | 2010 | | |
|------------------------------------|------------------|-----------------------------------|-----------------------------|------------------|-----------------------------------|-----------------------------|
| | Cost R 000 | Accumulated depreciation R 000 | Net carrying value R 000 | Cost R 000 | Accumulated depreciation R 000 | Net carrying value R 000 |
| Land | 15 679 | - | 15 679 | 15 679 | - | 15 679 |
| Buildings | 3 729 108 | 514 796 | 3 214 312 | 3 458 893 | 450 964 | 3 007 929 |
| Computer equipment | 265 246 | 197 871 | 67 375 | 230 052 | 178 796 | 51 256 |
| Other equipment and motor vehicles | 633 856 | 300 763 | 333 093 | 559 387 | 280 194 | 279 193 |
| Library books | 398 386 | 398 386 | - | 357 016 | 357 016 | - |
| | 5 042 275 | 1 411 816 | 3 630 459 | 4 621 027 | 1 266 970 | 3 354 057 |

| | Land R 000 | Buildings R 000 | Computer equipment R 000 | Other equipment and motor vehicles R 000 | Library books R 000 | Total R 000 |
|---|---------------|--------------------|-----------------------------|---|------------------------|------------------|
| 2011 | | | | | | |
| Reconciliation of the carrying value: | | | | | | |
| Cost at the beginning of the year | 15 679 | 3 458 893 | 230 052 | 559 387 | 357 016 | 4 621 027 |
| Accumulated depreciation at the beginning of the year | - | (450 964) | (178 796) | (280 194) | (357 016) | (1 266 970) |
| Net opening carrying value | 15 679 | 3 007 929 | 51 256 | 279 193 | - | 3 354 057 |
| Net additions and disposals | - | 272 377 | 49 771 | 86 778 | 45 771 | 454 697 |
| Depreciation per income statement | - | (65 994) | (33 652) | (32 878) | (45 771) | (178 295) |
| Net closing carrying value | 15 679 | 3 214 312 | 67 375 | 333 093 | - | 3 630 459 |
| 2010 | | | | | | |
| Reconciliation of the carrying value: | | | | | | |
| Cost at the beginning of the year | 15 679 | 3 409 295 | 202 438 | 490 520 | 309 587 | 4 427 519 |
| Accumulated depreciation at the beginning of the year | - | (390 604) | (159 933) | (258 579) | (309 587) | (1 118 703) |
| Net opening carrying value | 15 679 | 3 018 691 | 42 505 | 231 941 | - | 3 308 816 |
| Net additions and disposals | - | 100 087 | 35 706 | 80 251 | 50 296 | 266 340 |
| Impairment | - | (47 056) | - | - | - | (47 056) |
| Depreciation per income statement | - | (63 793) | (26 955) | (32 999) | (50 296) | (174 043) |
| Net closing carrying value | 15 679 | 3 007 929 | 51 256 | 279 193 | - | 3 354 057 |



The register containing full details of land and buildings is available at the offices of the University.

Included in other assets and motor vehicles are motor vehicles with a book value of R7,0 million (2010: R17,0 million) that are encumbered in terms of staff motor vehicle schemes at the respective banks (refer to note 3).

Included in land is property in Stellenbosch on which a notarial bond of R191,6 million was registered in 2008. The rights in terms of the lease were ceded to the financier.

Work in progress to the value of R154,9 million is included in the cost of buildings. No depreciation is recognised on work in progress.

5. INTANGIBLE ASSETS

| | 2011 | | | 2010 | | |
|-------------|--------|--------------------------|--------------------|--------|--------------------------|--------------------|
| | Cost | Accumulated amortisation | Net carrying value | Cost | Accumulated amortisation | Net carrying value |
| | R 000 | R 000 | R 000 | R 000 | R 000 | R 000 |
| Oracle HRMS | 13 913 | 10 724 | 3 189 | 13 913 | 9 334 | 4 580 |

| | 2011 | 2010 |
|--------------------------------------|--------------|--------------|
| | R 000 | R 000 |
| Reconciliation of the carrying value | | |
| Net opening carrying value | 4 580 | 5 971 |
| Amortisation per income statement | (1 391) | (1 391) |
| Net closing carrying value | 3 189 | 4 580 |

6. LONG-TERM INVESTMENTS

The fair values of long-term investments at 31 December are as follows:

| | 2011 | 2010 |
|------------------|------------------|------------------|
| | R 000 | R 000 |
| Government bonds | 192 070 | 146 382 |
| Shares | 2 633 962 | 2 514 155 |
| Listed shares | 2 631 428 | 2 511 621 |
| Unlisted shares | 2 534 | 2 534 |
| Fixed deposits | 458 669 | 338 465 |
| Other | 207 161 | 218 448 |
| | 3 491 862 | 3 217 450 |

A complete investment register is available to stakeholders at the offices of the University.

The average interest rate applicable to government bonds at year-end was 6,6% (2010: 7,3%) and to fixed deposits 9,0% (2010: 7,9%).

The University's investment portfolios are managed by professional asset managers.

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS for the year ended 31 December 2011 (continued)

7. INVESTMENT PROPERTIES

| | 2011 R 000 | 2010 R 000 |
|-----------------------------------|---------------|---------------|
| Net opening carrying value | 55 408 | 53 538 |
| Revaluation during the year | 1 972 | 1 870 |
| Net closing carrying value | 57 380 | 55 408 |

On 20 January 2012 (2010: 25 January 2011) the value of all investment properties at 31 December 2011 was determined by a sworn valuer familiar with the revaluation of occupied apartment buildings. Income received from investment properties amounted to R3,8 million (2010: R3,6 million).

8. INVESTMENT IN ASSOCIATE COMPANIES

| Name | Number of shares | Interest | Effective vote |
|---|------------------|----------|----------------|
| Unistel Medical Laboratories (Pty) Ltd | 350 | 35,0% | 35,0% |
| Sun Space and Information Systems (Pty) Ltd | 1 12 500 | 7,8% | 26,0% |
| USB Executive Development Ltd | 9 000 000 | 48,8% | 48,8% |

During the year there was no movement in the University and its subsidiaries' interest in the associate companies.

8.1 UNISTEL MEDICAL LABORATORIES (PTY) LTD

| | 2011 R 000 | 2010 R 000 |
|--|---------------|---------------|
| The main objective of the company is the provision of genetic, diagnostic and testing services for humans and animals. | | |
| Balance at the beginning of the year | 2 402 | 2 438 |
| Net share in profit/(loss) of associate company | 191 | (36) |
| Share of pretax profit | 1 002 | 558 |
| Share of tax | (286) | (244) |
| Dividends earned | (525) | (350) |
| Balance at the end of the year | 2 593 | 2 402 |

8.2 SUN SPACE AND INFORMATION SYSTEMS (PTY) LTD

| | 2011 R 000 | 2010 R 000 |
|---|---------------|---------------|
| The main objective of the company is the development and manufacturing of microsatellites and satellite subsystems. | | |
| Balance at the beginning of the year | - | 89 |
| Net share in profit/(loss) of associate company | - | (89) |
| Share of pretax profit/(loss) | - | (89) |
| Share of tax | - | - |
| Balance at the end of the year | - | - |



8.3 USB EXECUTIVE DEVELOPMENT LTD

| | 2011 | 2010 |
|--|--------------|--------------|
| | R 000 | R 000 |
| The main objective of the company is the development and presentation of executive development programmes and provision of consultation services | | |
| Balance at the beginning of the year | 3 475 | 1 986 |
| Net share in profit of associate company | 3 674 | 1 489 |
| Share of pretax profit | 5 103 | 1 925 |
| Share of tax | (1 429) | (436) |
| Balance at the end of the year | 7 149 | 3 475 |
| Total investment in associate companies | 9 742 | 5 877 |

8.4 ASSETS, LIABILITIES AND PROFITS OF UNISTEL MEDICAL LABORATORIES (PTY) LTD

| | 2011 | 2010 |
|-----------------------|--------|--------|
| | R 000 | R 000 |
| Plant and equipment | 2 528 | 1 844 |
| Intangible assets | 1 076 | 957 |
| Current assets | 5 913 | 5 645 |
| Total assets | 9 517 | 8 446 |
| Long-term liabilities | 365 | 365 |
| Current liabilities | 1 742 | 1 219 |
| Total liabilities | 2 107 | 1 584 |
| Income | 15 337 | 13 717 |
| Profit | 2 198 | 1 800 |

8.5 ASSETS, LIABILITIES AND LOSS OF SUN SPACE AND INFORMATION SYSTEMS (PTY) LTD

| | 2011 | 2010 |
|-------------------------------------|----------|----------|
| | R 000 | R 000 |
| Plant, equipment and motor vehicles | 217 | 452 |
| Non-current assets | 11 093 | 11 093 |
| Current assets | 25 313 | 27 508 |
| Total assets | 36 623 | 39 053 |
| Long-term liabilities | 24 887 | 12 076 |
| Current liabilities | 75 866 | 52 432 |
| Total liabilities | 100 753 | 64 508 |
| Income | 14 764 | 9 263 |
| Loss | (33 304) | (32 533) |

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS for the year ended 31 December 2011 (continued)

8. INVESTMENT IN ASSOCIATE COMPANIES (continued)

8.6 ASSETS, LIABILITIES AND PROFIT OF USB EXECUTIVE DEVELOPMENT LTD

| | 2011 | 2010 |
|---------------------|--------|--------|
| | R 000 | R 000 |
| Non-current assets | 1 336 | 948 |
| Current assets | 24 695 | 6 608 |
| Total assets | 26 031 | 7 556 |
| Current liabilities | 8 503 | 7 025 |
| Total liabilities | 8 503 | 7 025 |
| Income | 79 879 | 54 442 |
| Profit | 7 402 | 3 052 |

9. TRADE AND OTHER RECEIVABLES

| | 2011 | 2010 |
|--|-----------|-----------|
| | R 000 | R 000 |
| Student fees | 71 284 | 58 558 |
| Student fees due | 106 661 | 89 518 |
| Less: Provision for impairment of student fees | (35 377) | (30 960) |
| Student loans | 113 125 | 109 338 |
| Student loans due | 151 980 | 140 012 |
| Less: Impairment due to non-market-related interest rates | (12 718) | (11 827) |
| Less: Provision for impairment of student loans | (26 137) | (18 847) |
| Trade receivables | 85 740 | 56 627 |
| Trade receivables due | 99 830 | 58 850 |
| Less: Provision for impairment of trade receivables | (14 090) | (2 223) |
| Government receivables | 4 570 | 9 067 |
| Motor vehicle loans | 38 941 | 24 819 |
| Interest and dividends receivable on investments | 6 425 | 8 068 |
| Forward foreign exchange contract asset | 2 468 | - |
| Other | 51 079 | 41 306 |
| | 373 632 | 307 783 |
| | (150 179) | (119 997) |
| Less: Long-term portion of motor vehicle loans | (28 464) | (17 160) |
| Less: Long-term portion of student loans, taking provision for impairment into account | (121 715) | (102 837) |
| | 223 453 | 187 786 |

Refer to note 29 for amounts outstanding by related parties included above.

All non-current receivables are receivable within five years from the financial year-end.



STUDENT FEES

Outstanding student fees are due only by former students, as current students are not allowed to register or graduate if more than R500 is outstanding on the student's account. Debt is evaluated in terms of historical rates of successful collection. An impairment is recognised based on the probability of collection of outstanding amounts. The probability of collection decreases with the ageing of debt and consequently a higher impairment is recognised for older debt. A higher percentage is applied to debt handed over to attorneys for collection.

The age analysis of outstanding student fees for which an impairment has been recognised is as follows:

| | 2011 | 2010 |
|-------------------------------|----------------|---------------|
| | R 000 | R 000 |
| - One year | 56 421 | 47 192 |
| - Between one and three years | 24 919 | 18 982 |
| - Three years and older | 2 861 | 1 380 |
| - Handed over | 22 460 | 21 964 |
| Total | 106 661 | 89 518 |

The movement in the provision for impairment in student fees is as follows:

| | 2011 | 2010 |
|--|---------------|---------------|
| | R 000 | R 000 |
| Balance at the beginning of the year | 30 960 | 29 889 |
| Increase in provision for the year | 6 932 | 4 356 |
| Amounts written off during the year as irrecoverable | (2 515) | (3 285) |
| Balance at the end of the year | 35 377 | 30 960 |

The increase in the provision for the year as well as debts written off is shown in the consolidated income statement under 'Other operating expenditure'.

STUDENT LOANS

Student loans are granted at rates below market-related interest rates. An impairment on outstanding student loans is calculated at recognition of the loan. Student loans are categorised as redeemable or non-redeemable. A provision for impairment of student loans is based on historical information in accordance with the category of the loan. At year-end student loans that were not redeemable amounted to R79,3 million (2010: R81,2 million) and no further impairment was deemed necessary for this group. Redeemable student loans amounted to R72,6 million (2010: R58,8 million), of which R44,0 million (2010: R39,7 million) was not overdue, and consequently no impairment was deemed necessary. Overdue student loans amounted to R28,6 million (2010: R19,1 million). Overdue student loans are considered for possible impairment.

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS for the year ended 31 December 2011 (continued)

9. TRADE AND OTHER RECEIVABLES (continued)

The movement in the provision for impairment in student loans is as follows:

| | 2011 | 2010 |
|--|---------|--------|
| | R 000 | R 000 |
| Balance at the beginning of the year | 18 847 | 13 901 |
| Increase in provision for the year | 8 355 | 5 399 |
| Amounts written off during the year as irrecoverable | (1 065) | (453) |
| Balance at the end of the year | 26 137 | 18 847 |

The increase in the provision for the year as well as irrecoverable debts written off is shown in the consolidated income statement under 'Other operating expenditure'.

TRADE AND OTHER RECEIVABLES

At year-end trade and other fully performing receivables amounted to R93,3 million (2010: R59,2 million).

Other receivables include a number of smaller receivables who do not have a significant history of non-performance and are of good standing. Due to the nature of income levied, mainly consisting of research-related income for which contracts are in place, receivables younger than four months are not considered for impairment. The age analysis of overdue receivables is as follows:

| | 2011 | 2010 |
|-----------------------------|--------|--------|
| | R 000 | R 000 |
| Between one and four months | 33 970 | 28 250 |
| Older than four months | 23 562 | 12 711 |
| Total | 57 532 | 40 961 |

Receivables older than four months are considered for impairment. The provision for impairment in receivables is as follows:

| | 2011 | 2010 |
|--|--------|---------|
| | R 000 | R 000 |
| Balance at the beginning of the year | 2 223 | 1 701 |
| Increase in provision for the year | 12 301 | 1 999 |
| Amounts written off during the year as irrecoverable | (434) | (1 477) |
| Balance at the end of the year | 14 090 | 2 223 |

GOVERNMENT RECEIVABLES

These amounts are owed by government and no impairment is deemed necessary.



MOTOR VEHICLE LOANS

The recoverability of motor vehicle loans owed by employees is regarded as highly probable and consequently no impairment is provided for this category (refer to note 3).

INTEREST AND DIVIDENDS RECEIVABLE ON INVESTMENTS

The amounts are receivable from the University's investment managers. The University's investment portfolios are managed by professional asset managers and hence the amounts are deemed fully recoverable.

10. DEFERRED TAX

The movement in the deferred tax account is as follows:

| | 2011 R 000 | 2010 R 000 |
|--|---------------|---------------|
| Balance at the beginning of the year | (218) | (105) |
| Movement during the year: | | |
| Temporary differences on property, books and equipment | (106) | (83) |
| Accumulated leave | - | (30) |
| Balance at the end of the year | (324) | (218) |
| The deferred tax balance consists of the following: | | |
| Temporary differences on property, books and equipment | (324) | (218) |
| | (324) | (218) |

A deferred tax asset is recognised for tax losses only to the extent that recovery is probable.

Subsidiaries of the University have deferred tax assets of R2,5 million (2010: R2,8 million) not recognised in the consolidated annual financial statements due to the uncertainty of their recoverability. The movement in tax for the year is included in 'Other operating expenditure'.

11. INVENTORIES

Inventories consist of the following items:

| | 2011 R 000 | 2010 R 000 |
|-------------|---------------|---------------|
| Stationery | 186 | 286 |
| Consumables | 2 452 | 2 320 |
| | 2 638 | 2 606 |

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS for the year ended 31 December 2011 (continued)

12. OPERATING LEASE ASSET/(LIABILITY)

The net operating lease asset is comprised as follows:

| | 2011 | 2010 |
|---------------------------|--------------|------------|
| | R 000 | R 000 |
| Operating lease liability | (4 061) | (3 205) |
| Operating lease asset | 7 792 | 3 528 |
| | 3 731 | 323 |

The expected movement in the net operating lease asset is as follows:

| | 2011 | 2010 |
|----------------------------------|---------|----------|
| | R 000 | R 000 |
| Balance at the end of the year | 3 731 | 323 |
| Payable within one year | 4 061 | 3 205 |
| Payable within two to five years | 1 736 | 10 369 |
| Payable after five years | (9 528) | (13 897) |
| | - | - |

13. TRADE AND OTHER PAYABLES

| | 2011 | 2010 |
|---|----------------|----------------|
| | R 000 | R 000 |
| Trade payables | 11 457 | 15 115 |
| Student fees received in advance | 54 215 | 51 062 |
| Forward foreign exchange contract liability | - | 2 970 |
| Accrued remuneration costs | 33 689 | 21 640 |
| Accrued expenses | 47 346 | 34 325 |
| Accrued leave liability | 95 512 | 92 856 |
| Student and other call deposits | 953 | 3 553 |
| Income received in advance | 10 362 | 24 453 |
| Other | 105 310 | 64 844 |
| Balance at the end of the year | 358 842 | 310 818 |

Refer to note 29 for amounts payable to related parties included above.



14. COMMITMENTS

At 31 December commitments for capital contracts approved or orders placed for buildings, library books and journals were as follows:

| | 2011 | 2010 |
|----------------------------|---------------|----------------|
| | R 000 | R 000 |
| Buildings | 79 675 | 100 321 |
| Library books and journals | 633 | 1 160 |
| | 80 308 | 101 481 |

Significant non-cancellable rental contracts include the rental of student accommodation and the rental of smaller equipment. These contracts have varying terms.

The following amounts are payable at year-end in terms of non-cancellable operating leases:

| | 2011 | 2010 |
|--------------------------|---------------|---------------|
| | R 000 | R 000 |
| Within one year | 8 633 | 7 777 |
| Within two to five years | 20 218 | 28 851 |
| | 28 851 | 36 628 |

15. STAFF COSTS

| | 2011 | 2010 |
|---|------------------|------------------|
| | R 000 | R 000 |
| Remuneration and fringe benefits | 1 287 604 | 1 162 462 |
| Increase in the provision for staff benefits | 43 879 | 35 074 |
| Increase in the provision for long-service benefits | 199 | 179 |
| | 1 331 682 | 1 197 715 |

The average number of fulltime, permanent employees is 2 795 (2010: 2 624).

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS for the year ended 31 December 2011 (continued)

16. STAFF COSTS: EXECUTIVE MANAGEMENT

The following information on amounts paid during the financial year is supplied in order to comply with the Higher Education Act (No. 101 of 1997, as amended) and the Regulations for Annual Reporting by Higher Education Institutions (section 7.8).

| Name | Position | Nature | Total value 2011 R 000 | Period | Total value 2010 R 000 | Period |
|----------------------------|--|-------------------|------------------------------|----------------|------------------------------|----------------|
| Prof HR Botman | Rector and Vice-Chancellor | Remuneration paid | 2 252 | Jan – Dec 2011 | 2 100 | Jan – Dec 2010 |
| | | Bonus paid | 272 | Jan – Dec 2011 | - | Jan – Dec 2010 |
| | | Bonus paid | 253 | Jan – Dec 2010 | 237 | Jan – Dec 2009 |
| | | Leave paid | 209 | Jan – Dec 2011 | - | Jan – Dec 2010 |
| Prof JF Smith | Vice-Rector (Community Interaction and Staff) | Remuneration paid | 1 598 | Jan – Dec 2011 | 1 487 | Jan – Dec 2010 |
| | | Bonus paid | 84 | Jan – Dec 2011 | 80 | Jan – Dec 2010 |
| | | Leave paid | - | Jan – Dec 2011 | 70 | Jan – Dec 2010 |
| Prof M Fourie- Malherbe | Vice-Rector (Teaching) | Remuneration paid | 1 598 | Jan – Dec 2011 | 1 487 | Jan – Dec 2010 |
| | | Bonus paid | 84 | Jan – Dec 2011 | 80 | Jan – Dec 2010 |
| | | Leave paid | 71 | Jan – Dec 2011 | - | Jan – Dec 2010 |
| Prof A van Zyl | Vice-Rector (Research) | Remuneration paid | 1 620 | Jan – Dec 2011 | 1 510 | Jan – Dec 2010 |
| | | Bonus paid | 84 | Jan – Dec 2011 | 80 | Jan – Dec 2010 |
| | | Leave paid | 76 | Jan – Dec 2011 | 31 | Jan – Dec 2010 |
| Prof L van Huyssteen | Executive Director: Operations and Finance | Remuneration paid | 1 598 | Jan – Dec 2011 | 1 487 | Jan – Dec 2010 |
| | | Bonus paid | 84 | Jan – Dec 2011 | 80 | Jan – Dec 2010 |
| | | Leave paid | 238 | Jan – Dec 2011 | - | Jan – Dec 2010 |

Payment to Council members for the attendance of council and committee meetings:

| Paid to | Number of members | Attendance of meetings Average value R 000 | Reimbursement of expenses Total value R 000 |
|-------------------------------|----------------------|---|--|
| Chairperson of the Council | 1 | - | - |
| Members of the Council | 30 | - | 214 |

No remuneration is paid to members of the Council or committees for the attendance of council and committee meetings.



17. TOTAL EXPENSES

Total expenses include the following:

| | 2011 | 2010 |
|---|------------------|------------------|
| | R 000 | R 000 |
| Depreciation | | |
| Buildings | 65 994 | 63 793 |
| Computer equipment | 33 652 | 26 955 |
| Other equipment and motor vehicles | 32 877 | 32 999 |
| Library books | 45 771 | 50 296 |
| | 178 294 | 174 043 |
| Amortisation of intangible assets | 1 392 | 1 392 |
| Other operating expenses | | |
| Bursaries | 420 916 | 357 818 |
| Rental | 40 494 | 33 649 |
| - Buildings | 31 859 | 25 088 |
| - Equipment | 8 635 | 8 561 |
| Maintenance and repairs | 64 817 | 54 458 |
| Auditors' remuneration | 3 378 | 3 580 |
| For statutory audit | | |
| - Provision for current year | 1 544 | 1 420 |
| - Underprovision in previous year | 124 | 201 |
| For other audit services | 1 346 | 1 403 |
| For other consulting services | 364 | 556 |
| Increase in provision for impairment of student fees, student loans and receivables | 23 574 | 6 539 |
| Impairment of student loans | 891 | 1 178 |
| Other expenses | 829 039 | 823 279 |
| | 1 383 109 | 1 280 501 |

18. RENT RECEIVED

Material non-cancellable leases include the leasing of shops and houses. Contracts have varying terms.

The following amounts are receivable at year-end in terms of non-cancellable operating leases:

| | 2011 | 2010 |
|--------------------------|---------------|---------------|
| | R 000 | R 000 |
| Within one year | 5 236 | 6 773 |
| Within two to five years | 8 356 | 8 485 |
| After five years | 1 866 | 3 149 |
| | 15 458 | 18 407 |

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS for the year ended 31 December 2011 (continued)

19. INTEREST AND DIVIDENDS EARNED

| | 2011 | 2010 |
|---|----------------|----------------|
| | R 000 | R 000 |
| Interest received - operating investments | 69 098 | 67 534 |
| - non-operating investments | 52 625 | 59 615 |
| - other | 23 579 | 23 400 |
| Dividends received | 51 017 | 38 252 |
| | 196 319 | 188 801 |

20. REALISED PROFIT ON SALE OF INVESTMENTS

| | 2011 | 2010 |
|---|----------------|----------------|
| | R 000 | R 000 |
| Profit realised from fair-value reserve | 136 297 | 185 523 |

21. INTEREST RECEIVED

| | 2011 | 2010 |
|--|----------------|----------------|
| | R 000 | R 000 |
| Amount receivable at the beginning of the year | 2 240 | 6 390 |
| Amount in income statement | 145 302 | 150 549 |
| Amount receivable at the end of the year | (516) | (2 240) |
| | 147 026 | 159 178 |

22. DIVIDENDS RECEIVED

| | 2011 | 2010 |
|--|---------------|---------------|
| | R 000 | R 000 |
| Amount receivable at the beginning of the year | - | 1 659 |
| Amount in income statement | 51 017 | 38 252 |
| Amount receivable at the end of the year | (82) | - |
| | 50 935 | 39 911 |



23. FINANCE CHARGES PAID

| | 2011 | 2010 |
|--|---------------|---------------|
| | R 000 | R 000 |
| Amount receivable at the beginning of the year | 2 908 | 2 983 |
| Amount in income statement | 13 333 | 14 231 |
| Amount receivable at the end of the year | (2 750) | (2 908) |
| | 13 491 | 14 306 |

24. RECONCILIATION OF SURPLUS WITH CASH FLOWS

| | 2011 | 2010 |
|---|----------------|----------------|
| | R 000 | R 000 |
| Surplus according to the consolidated income statement | 538 044 | 391 882 |
| Adjustments for: | | |
| Realised profits on disposal of investments | (136 297) | (185 523) |
| Interest and dividends received | (196 319) | (199 089) |
| Finance charges | 13 333 | 14 306 |
| Profit on the disposal of property, books and equipment | (4 257) | (1 291) |
| Impairment of property, books and equipment | - | 47 056 |
| Increase in provision for leave gratuity | 2 656 | 927 |
| Increase in provision for staff benefits | 44 078 | 35 253 |
| Increase in provision for impairment of student fees, student loans and receivables | 24 465 | 2 250 |
| Depreciation and amortisation | 179 686 | 175 435 |
| Foreign exchange gain | (12 940) | (794) |
| Increase in investment in associate companies | (3 865) | (1 364) |
| Loss on the disposal of property, books and equipment | 237 | 333 |
| Donation of property, books and equipment | (12 130) | (14 422) |
| Operating income before changes in working capital | 436 691 | 265 958 |
| Change in working capital | (40 094) | 417 |
| Increase in trade and other receivables | (70 266) | (19 477) |
| Less: Decrease in receivables for outstanding investment income | (14 411) | (10 288) |
| (Increase)/Decrease in inventories | (32) | 101 |
| Increase in trade and other payables | 48 024 | 27 446 |
| (Decrease)/Increase in operating lease liability | (3 408) | 2 635 |
| Cash generated by operations | 396 597 | 265 375 |

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS for the year ended 31 December 2011 (continued)

25. CASH AND CASH EQUIVALENTS

| | 2011 R 000 | 2010 R 000 |
|--------------------------------|------------------|------------------|
| Favourable bank balances | 108 851 | 164 062 |
| Short-term investments as cash | 1 006 019 | 908 473 |
| | 1 114 870 | 1 072 535 |

The average interest rate on cash and cash equivalents for 2011 amounts to 6,5% (2010: 6,7%) at year-end.

| | 2011 R 000 | 2010 R 000 |
|--|----------------|----------------|
| The University's facilities at banks reviewed annually | 133 000 | 162 470 |

At year-end only a portion of the facility for motor vehicle loans was utilised. The portion that has been utilised is included in interest-bearing borrowings. Refer to note 3.

26. FINANCIAL RISK MANAGEMENT

The University's activities expose it to certain financial risks, namely market risk, credit risk and liquidity risk. The University's overarching risk management programme focuses on the unpredictability of financial markets and is aimed at minimising potentially negative impacts on the University.

26.1 MARKET RISK

The activities of the University expose it to various market risks, including foreign exchange risk, price risk and interest rate risk.

26.1 (A) FOREIGN EXCHANGE RISK

Owing to international transactions in currencies other than the South African rand (the University's functional currency), the University is exposed to foreign currency risk. This risk arises from future financial transactions as well as recognised assets and liabilities denominated mainly in US dollar, GB pound and euro. Foreign exchange risk associated with future financial transactions is managed by taking out forward cover through forward foreign exchange contracts.

If the exchange rate had increased/decreased by 5,0% at 31 December, with all other factors remaining unchanged, the surplus for the year would have increased/(decreased) as follows:

| | 2011 R 000 | 2010 R 000 |
|------|---------------|---------------|
| CAD | 2 | - |
| DKK | 1 | (3) |
| EURO | 1 | 2 046 |
| GBP | 12 | (1) |
| SEK | 28 | - |
| USD | (690) | (1 175) |
| | (646) | 867 |



Forward foreign exchange contracts are entered into to manage exchange rate fluctuations in the case of certain transactions. A cautious approach to forward cover is maintained. The maturity dates of open forward foreign exchange contracts at 31 December were within six months after year-end.

Rand amounts payable and contracted exchange rates on open forward foreign exchange contracts at year-end were:

| | 2011 | 2010 |
|--|---------------|---------------|
| | R 000 | R 000 |
| USD [at average rates R7,0304 = \$1 (2010: R7,7630 = \$1)] | 13 857 | 16 249 |
| EURO [at average rates R9,9400 = €1 (2010: R10,0250 = €1)] | 3 910 | 6 579 |
| | 17 767 | 22 828 |

In respect of foreign exchange transactions the following current assets and liabilities are not covered by forward foreign exchange contracts, as shown in the consolidated statement of financial position:

| | Foreign exchange 2011 000 | Rand value 2011 R 000 | Foreign exchange 2010 000 | Rand value 2010 R 000 |
|--------------------------------|------------------------------------|-----------------------------|------------------------------------|-----------------------------|
| Trade payables | | | | |
| DKK | 11 | 16 | - | - |
| EUR | 5 | 58 | - | - |
| GBP | - | - | 2 | 25 |
| USD | 5 | 38 | 8 | 55 |
| Net foreign exchange liability | | 112 | | 80 |
| Trade receivables | | | | |
| CAD | 5 | 38 | - | - |
| DKK | - | - | 47 | 54 |
| EURO | 402 | 4 105 | 25 | 219 |
| GBP | 20 | 245 | - | - |
| NOK | 500 | 559 | - | - |
| USD | 287 | 2 259 | 335 | 2 161 |
| Net foreign exchange asset | | 7 206 | | 2 434 |

26.1 (B) PRICE RISK

The University is exposed to price risk in terms of listed investments available for sale. Should the local securities exchange rise/fall by 10,0% at 31 December and all other factors remain unchanged, the fair-value reserve for listed shares would have increased/decreased by R282,6 million (2010: R251,2 million). A securities exchange rise or fall of 10,0% at 31 December would have resulted in an increase/decrease of R19,2 million (2010: R14,6 million) in the fair-value reserve for interest-bearing listed instruments.

The University is not exposed to commodity price risk.

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS for the year ended 31 December 2011 (continued)

26. FINANCIAL RISK MANAGEMENT (continued)

26.1 (C) INTEREST RATE RISK

The interest rate features of new and existing loans are continuously reviewed. The University did not enter into any interest-rate derivative agreements for the years ended 31 December 2011 and 2010.

Should the interest rate on balances at banks at year-end increase/decrease by 100 basis points, the surplus for the year would have increased/decreased by R11,1 million (2010: R10,7 million).

Should the interest rate on interest-bearing investments at year-end increase/decrease by 100 basis points, the surplus for the year would have increased/decreased by R2,6 million (2010: R3,6 million).

Should the interest rate on the bank facility for the financing of the University's various motor vehicle schemes at year-end increase/decrease by 100 basis points, the surplus for the year would have decreased/increased by R0,4 million (2010: R0,4 million).

26.2 LIQUIDITY RISK

Transparent liquidity risk management implies the maintenance of sufficient cash and marketable securities, as well as the availability of credit facilities. Sufficient credit facilities at financial institutions are available should the University require this.

| | 2011 R 000 | 2010 R 000 |
|-------------------------|---------------|---------------|
| Current assets | 1 340 961 | 1 262 927 |
| Current liabilities | 375 895 | 324 778 |
| % liabilities to assets | 28,0% | 25,7% |

26.3 CREDIT RISK

Potential credit risk mainly arises from outstanding student fees and student loans, trade receivables and cash resources. Students with outstanding student fees of more than R500 and/or overdue student loans are not allowed to register for a following academic year or to receive a degree certificate. Trade receivables consist of a large number of customers, and their creditworthiness is evaluated continuously by the University. Cash surpluses are invested only at creditworthy financial institutions. At 31 December 2011 and 31 December 2010 there was no material credit risk for which adequate provision had not been made. Trade and other receivables are shown net of any provision for impairment.

26.4 ESTIMATION OF FAIR VALUE

The fair values of listed investments available for sale are based on quoted market prices at year-end. The quoted market price refers to the closing price on the last date of business before year-end. The fair values of unlisted investments not traded in an active market are determined by means of applicable valuation methods, based on market conditions at year-end. Fair values of the remainder of financial instruments are determined on the basis of discounted-cash flow models. The nominal values of trade and other receivables and payables and interest-bearing borrowings less impairments are deemed as their fair values. Short-term debt instruments represent endowment funds where the donor may determine the application and time of application, and are recorded at fair value.

Since 1 January 2009 Stellenbosch University has applied the adjustment to IFRS 7 for financial instruments shown at fair value in the statement of financial position. This adjustment requires that fair-value measurements are disclosed in accordance with the following hierarchy:

- Level 1 Quoted prices in active markets for identical assets and liabilities.
- Level 2 Inputs other than quoted prices obtained directly (prices) or indirectly (derived from prices).
- Level 3 Inputs for assets and liabilities not based on available market data.



Assets at 31 December 2011 shown at fair value:

| | Level 1 R 000 | Level 2 R 000 | Level 3 R 000 | Total R 000 |
|-------------------|------------------|------------------|------------------|------------------|
| Government bonds | 192 070 | - | - | 192 070 |
| Shares | | | | |
| - Listed shares | 2 825 887 | - | - | 2 825 887 |
| - Unlisted shares | - | 2 534 | - | 2 534 |
| Fixed deposits | 264 210 | - | - | 264 210 |
| Other | 207 161 | - | - | 207 161 |
| | 3 489 328 | 2 534 | - | 3 491 862 |

The fair value of listed investments, government bonds, fixed deposits and other investments is based on current market prices. Other investments mainly consist of cash instruments forming part of the University's long-term investment pool. The University determines the fair value of unlisted investments and investments for which there are not an active market by making use of valuation techniques. Government bonds, listed shares, fixed deposits and other investments are classified as level 1 and unlisted shares as level 2 at 31 December 2010.

The fair value of financial instruments not traded on the securities exchange is determined by means of relevant valuation techniques. These techniques mainly take available market data into account. The use of entity-specific estimates is limited. Should inputs comprise available market data only, instruments are shown on level 2. Specific valuation techniques include the use of quoted or dealer prices of similar instruments, taking risk factors into account.

Should any of the inputs not be based on available market data, the item is shown at level 3.

Financial liabilities

| | Carrying value R 000 | Contractual cash flow R 000 | < 1 year R 000 | 1 – 5 years R 000 | > 5 years R 000 |
|-----------------------------|----------------------------|-----------------------------------|-------------------|----------------------|--------------------|
| 31 December 2011 | | | | | |
| Interest-bearing borrowings | 109 870 | 177 953 | 19 495 | 87 686 | 70 772 |
| Operating lease liability | 4 061 | 4 061 | 4 061 | - | - |
| Trade and other payables | 358 842 | 358 842 | 358 842 | - | - |
| Short-term debt instruments | 2 210 | 2 210 | 2 210 | - | - |
| Total financial liabilities | 474 983 | 543 066 | 384 608 | 87 686 | 70 772 |
| 31 December 2010 | | | | | |
| Interest-bearing borrowings | 113 563 | 153 166 | 18 553 | 55 013 | 79 600 |
| Operating lease liability | 3 205 | 3 205 | 3 205 | - | - |
| Trade and other payables | 310 818 | 310 818 | 310 818 | - | - |
| Short-term debt instruments | 2 210 | 2 210 | 2 210 | - | - |
| Total financial liabilities | 429 796 | 469 399 | 334 786 | 55 013 | 79 600 |

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS for the year ended 31 December 2011 (continued)

26. FINANCIAL RISK MANAGEMENT (continued)

26.5 MANAGEMENT OF AVAILABLE FUNDS

Stellenbosch University manages its funds in order to ensure that it will continue as a going concern. Funds consist of restricted and unrestricted funds. Restricted funds consist of operating, loan, endowment and fixed-asset funds with specific conditions for application. Unrestricted funds are those funds that the Council may use at its discretion.

27. STAFF BENEFITS

Contributions to the Associated Institutions Pension Fund (AIPF)

The fund is administered by government and therefore an actuarial valuation is not required by the University.

Contributions to the University of Stellenbosch Retirement Fund (USRF)

Employees who are not members of the AIPF are required to join the USRF, which was established on 1 November 1994.

USRF, which is managed in terms of the Pension Funds Act of 1956 (as amended), is a defined-contribution plan for permanent employees of the University. The fund is valued by independent actuaries at least every three years. The actuarial deficit arising on the switch from the AIPF was cleared by the employer during the course of 2002. At 1 January 2012 USRF members totalled 2 981 (2011: 2 914). Membership contribution rates vary from 10% to 20% of pensionable earnings. The actuaries declared the fund financially sound. Total contributions paid amounted to R107,4 million (2010: R94,6 million).

Other benefits

Post-retirement medical benefits are provided to certain retired employees. Access to this benefit is limited to employees appointed before 1 June 2002.

The group life insurance scheme provides life insurance at the death of the member. Membership of the scheme is compulsory for all permanent employees of the University.

Liabilities are calculated by the independent actuaries at least every three years and are reviewed annually. A complete actuarial valuation was performed at 31 December 2011. The next actuarial valuation will be performed no later than 1 January 2015.

The actuarial valuation method is the projected-unit-credit method. The main actuarial assumptions are as follows:

| | 2011 | 2010 |
|---|--------|--------|
| | R 000 | R 000 |
| Discount rate | 8,7% | 8,5% |
| Medical inflation | 7,9% | 7,3% |
| Salary inflation | 7,4% | 6,8% |
| Normal retirement age | 65,0 | 65,0 |
| Expected average retirement age | 65,0 | 65,0 |
| Age difference between principal member and spouse: continued | Actual | Actual |
| Age difference between principal member and spouse: active | 4,0 | 4,0 |
| Income at retirement | 75,0% | 75,0% |
| Proportion married at retirement | 75,0% | 75,0% |
| Maximum age for orphan contributions | 21,0 | 21,0 |
| Continuation at retirement | 100,0% | 100,0% |



Reconciliation of the carrying value:

| | 2011 | | | 2010 | | |
|---|-------------------|----------------------|----------------|-------------------|----------------------|----------------|
| | Medical liability | Group life insurance | Total | Medical liability | Group life insurance | Total |
| | R 000 | R 000 | R 000 | R 000 | R 000 | R 000 |
| Liability at the beginning of the year | 339 223 | 25 827 | 365 050 | 310 532 | 19 494 | 330 026 |
| Adjustments in the consolidated income statement: | | | | | | |
| Current service charge | 4 134 | 1 339 | 5 473 | 3 599 | 920 | 4 519 |
| Interest charge | 27 975 | 2 130 | 30 105 | 27 831 | 1 741 | 29 572 |
| Actuarial loss | 22 702 | 7 345 | 30 047 | 16 585 | 5 019 | 21 604 |
| Expected contributions payable by the employer | (20 187) | (1 559) | (21 746) | (19 324) | (1 347) | (20 671) |
| | 373 847 | 35 082 | 408 929 | 339 223 | 25 827 | 365 050 |

The actuarial loss is attributable to the following:

| | 2011 | 2010 |
|--|-----------------|-----------------|
| | R 000 | R 000 |
| Change in valuation methodology | - | (942) |
| Change in the demographic assumptions | - | 2 411 |
| Change in actuarial basis | (17 259) | (28 344) |
| Increase in contributions | (11 177) | (4 768) |
| Change in membership numbers and details | (1 611) | 1 905 |
| Adjustment of benefits | - | 8 084 |
| Other factors | - | 50 |
| | (30 047) | (21 604) |

The liability at the end of the year is as follows:

| | 2011 | 2010 |
|--------------------|----------------|----------------|
| | R 000 | R 000 |
| Continued members | 280 127 | 258 587 |
| In-service members | 128 802 | 106 463 |
| | 408 929 | 365 050 |

The expected increase in the liability for the next 12 months for in-service members is R15,7 million (2011: R14,0 million).

LONG-SERVICE BENEFITS

After 25 years' service employees qualify for a gratuity to the value of 50% of the employee's monthly salary, with a minimum value of R400 and a maximum value of R5 000.

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS for the year ended 31 December 2011 (continued)

27. STAFF BENEFITS (continued)

The liability at the end of the year is as follows:

| | 2011 R 000 | 2010 R 000 |
|------------------------|----------------|----------------|
| Active members | 2 252 | 2 053 |
| | 2 252 | 2 053 |
| Total liability | 411 181 | 367 103 |

The history of staff benefits is as follows:

| | 2011 R 000 | 2010 R 000 | 2009 R 000 | 2008 R 000 | 2007 R 000 |
|---|---------------|---------------|---------------|---------------|---------------|
| Current value of liability | 411 181 | 367 103 | 331 850 | 322 500 | 307 898 |
| Actuarial loss/(profit) due to experience | 17 259 | 28 344 | (13 825) | (9 545) | 23 638 |

28. INCOME TAX

The University is exempt from normal income tax in terms of section 10(1)(cA)(i) of the Income Tax Act. Some of the subsidiaries of the University are, however, liable for tax. Refer to note 10.

29. RELATED-PARTY TRANSACTIONS

29.1 THE INSTITUTIONS BELOW ARE REGARDED AS RELATED PARTIES OF THE UNIVERSITY

| Party | Relationship |
|---|--|
| Stellenbosch Trust | University is sole beneficiary |
| Stellenbosch Development Trust | University is sole beneficiary |
| US Investment Trust | University is sole beneficiary |
| InnovUS Technology Transfer (Pty) Ltd | Wholly owned subsidiary |
| Unistel Properties (Pty) Ltd | Wholly owned subsidiary |
| Unistel Technologies (Pty) Ltd | Wholly owned subsidiary of InnovUS Technology Transfer |
| Stellenbosch University Sport Performance Institute (Pty) Ltd | Wholly owned subsidiary of InnovUS Technology Transfer |
| Stellenbosch Wind Energy Technologies (Pty) Ltd | Associate company of InnovUS Technology Transfer |
| Stellenbosch Nanofiber Company (Pty) Ltd | Associate company of InnovUS Technology Transfer |
| Unistel Medical Laboratories (Pty) Ltd | Associate company of US Investment Trust |
| Sun Space and Information Systems (Pty) Ltd | Associate company of US Investment Trust |
| Aquastel (Pty) Ltd | Wholly owned subsidiary of US Investment Trust |
| Sun Media Stellenbosch (Pty) Ltd | Subsidiary of US Investment Trust |
| USB Executive Development Ltd | Associate company of the University |
| Stellenbosch Institute for Advanced Study (STIAS) | Related entity |

Members of the executive management are also deemed as related parties of the University. Refer to note 16 for a list of the executive members and payments made to them during the year.



29.2 TRANSACTIONS WITH RELATED PARTIES

Transactions with related parties include payment for administrative services and finance charges as well as investment income received.

During the year stakeholders had no material interest in any material agreement of the University or any of its subsidiaries that could lead to a conflict of interest.

Transactions between Stellenbosch University and its subsidiaries are eliminated on consolidation.

The following related-party transactions took place between the University and related parties:

INCOME

| | 2011 R 000 | 2010 R 000 | | 2011 R 000 | 2010 R 000 |
|---------------------------|----------------|----------------|----------------------------------|---------------|---------------|
| From subsidiaries: | | | From associate companies: | | |
| Contributions received | 188 241 | 205 125 | Services | 7 606 | 6 533 |
| Services | 5 038 | 2 577 | Rental | 672 | 577 |
| Interest | 601 | 642 | | 8 278 | 7 110 |
| | 193 880 | 208 344 | | | |

EXPENDITURE

| | 2011 R 000 | 2010 R 000 | | 2011 R 000 | 2010 R 000 |
|-------------------------|---------------|---------------|-------------------------------|---------------|---------------|
| To subsidiaries: | | | To associate companies | | |
| Services | 13 819 | 14 683 | Services | 740 | 829 |
| Donations | - | 12 | Interest | 163 | - |
| Interest | 357 | 381 | | 903 | 829 |
| | 14 176 | 15 076 | | | |

AMOUNTS OUTSTANDING AT YEAR-END

| | 2011 R 000 | 2010 R 000 | | 2011 R 000 | 2010 R 000 |
|-------------------------|---------------|---------------|--------------------|---------------|---------------|
| Receivable from: | | | Payable to: | | |
| Subsidiaries | 8 572 | 96 | Subsidiaries | 2 600 | 293 |
| Associate companies | 391 | 1 367 | | 2 600 | 293 |
| | 8 963 | 1 463 | | | |

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS for the year ended 31 December 2011 (continued)

29. RELATED-PARTY TRANSACTIONS (continued)

| LOANS GRANTED TO RELATED PARTIES | 2011 | 2010 |
|---|---------------|---------------|
| | R 000 | R 000 |
| Stellenbosch University Sport Performance Institute (Pty) Ltd | 5 484 | 6 282 |
| Unistel Technologies (Pty) Ltd | 4 970 | 4 970 |
| InnovUS Technology Transfer (Pty) Ltd | 2 323 | 2 323 |
| | 12 777 | 13 575 |

The loan to Stellenbosch University Sport Performance Institute (Pty) Ltd bears interest linked to the prime rate and has fixed terms for repayment.

The loans to Unistel Technologies (Pty) Ltd and InnovUS Technology Transfer (Pty) Ltd bear interest linked to the prime rate and are payable in terms of mutual agreement.

30. CONTINGENT LIABILITIES

The University guarantees a percentage of the outstanding amount on mortgage loans of qualifying employees. The maximum exposure at year-end amounts to R430 398 (2010: R452 625).

The University undertook to provide financial support to some subsidiaries and associate companies, where necessary.

Stellenbosch University
is changing lives
in surrounding
communities through
its HOPE Project.
Youngsters enrolled
in the Youth Sport
Initiative's After School
Programme show a
40% increase in school
attendance, a 28%
improvement in sports
performance and a
20% improvement in
numeracy skills.
(www.thehopeproject.co.za/youthsport)





www.thehopeproject.co.za