



UNIVERSITEIT•STELLENBOSCH•UNIVERSITY jou kennisvennoot•your knowledge partner

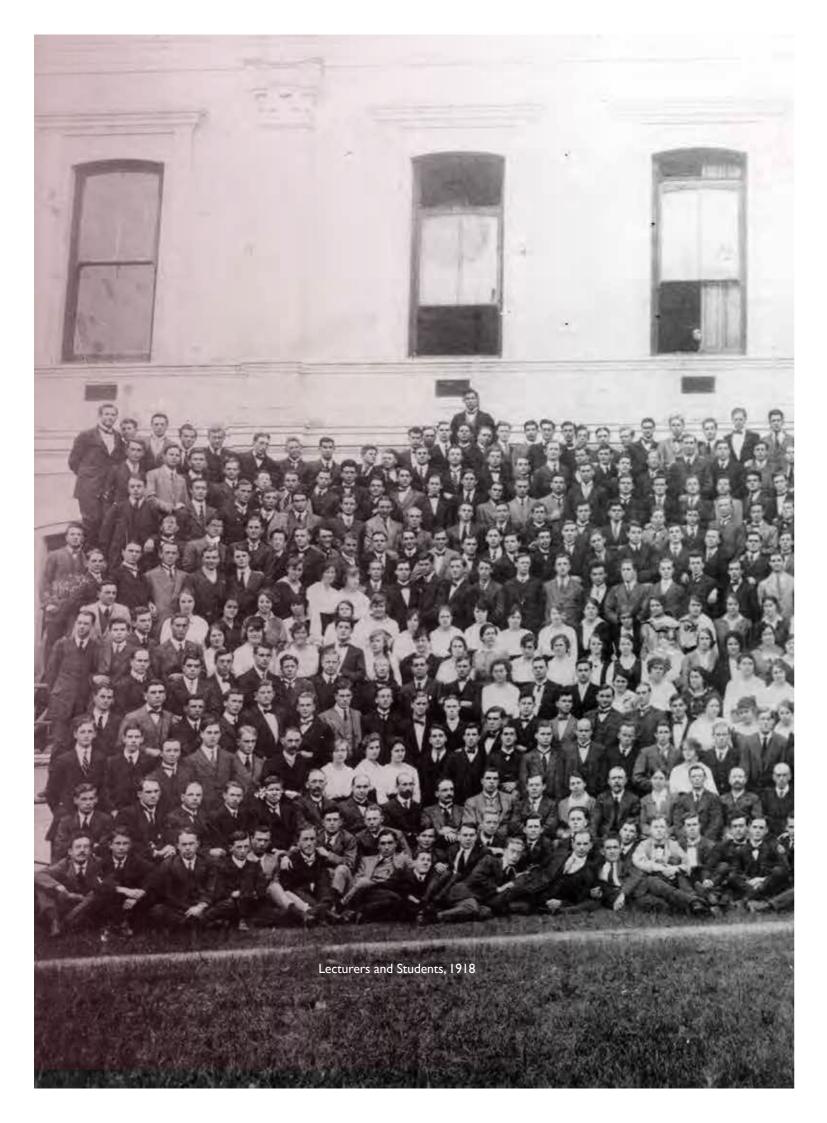
In preparation for our Centenary Commemoration in 2018, this year we reflected upon our academic achievements and successes, as well as our contribution to an unjust and exclusive history.

In moving on from our divisive past, SU is committed to the ideal of an inclusive world-class university in and for Africa – *learning, growing and moving forward together.*

In this report, the raised bar divided up in University and faculty colours is presented as a symbol of our endeavour to sustain a standard of excellence in all our core activities.







Our journey towards **INTEGRATED REPORTING**

Since embarking on its journey to integrated reporting a few years ago, Stellenbosch University is publishing its third integrated report. On this journey, we realised that a far wider range of interconnected factors determine the value and future of an organisation than financial profitability alone.

Some forms of capital (resources) that contribute to the too.Our report contains financial facts and figures about our value of an organisation are tangible, and therefore easy operations over the 2017 financial year, and for the reader's to add up or subtract, but many others are not so easy convenience our full financial report is still published as part of our integrated report. The University's financial statements, to account for. In a university environment, our intangibles including the subsidiaries, associate companies and trusts, predominate. Consider our capitals: are prepared in accordance with the relevant policies of International Financial Reporting Standards (IFRS), and, like • human capital (our talented students and capable staff); our integrated report, also comply with the Department of • financial capital (our income streams); Higher Education and Training's Regulations for Reporting • intellectual capital (our intellectual expertise, brand and by Public Higher Education Institutions as published in the evolving reputation); Government Gazette No. 37726 of 9 June 2014.

- manufactured capital (our infrastructure);
- social and relationship capital (our indispensable partnerships); and
- natural capital (our supporting environment of natural resources).

You will also find the customary reports of the Chancellor, Chair of the University Council, Rector and Vice-Chancellor, Chief Operating Officer, Vice-Rectors, and Deans of faculties on their fields of care and supervision. Most of these reports however now highlight the value created over the reporting period in line with selected strategic priorities identified These, and more, make up the sum total of assets with which in the University's future-focused Intent and Strategy we create and sustain value. document for 2013–2018. This focus on value accords with the principles provided by the International Framework of Through our integrated reporting, we hope to show our the International Integrated Reporting Council (IIRC), which numerous stakeholders how we try to allocate resources, believes that "communication about value creation should manage risks and grasp opportunities in the best possible be the next step in the evolution of corporate reporting". It way. Stellenbosch University - like so many other also accords with the King Code of Governance Principles organisations, both corporate and public - is still en route... and the King Report on Governance (King III), arguably the We plan to improve our understanding of true materiality world's leading corporate governance standard. We have and true accountability across the board of our multiplicity also made a start on implementing the newly published King of operations, and we anticipate that integrated thinking will IV code.

eventually become second nature to us, so that we may make better decisions and manage efficiently and sustainably, as befits a knowledge-driven institution such as ours.

OUR SCOPE AND BOUNDARIES

Our integrated report is published annually and covers INTEGRATED REPORT the full scope of University operations over the reporting period, I January to 31 December 2017. To this we add a The Rectorate is closely involved in writing and compiling few months more - until March 2018 - to enable us to the annual integrated report. Our Audit and Risk Committee include all our graduation data for the year under review. of Council examines the report and, with adjustments, recommends the report for tabling at the University Council To show the members who approved this annual integrated report, we present the University Council as at 18 June meeting in June, where the report is considered and finally 2018, listing the outgoing members who were active in 2017 approved for publication.

The University's Intent and Strategy document for 2013-2018 is now nearing the end of its cycle when the University will develop a new strategy, and also celebrate its centenary.

APPROVING OUR ANNUAL

Foreword by THE CHANCELLOR

The position of Chancellor is a ceremonial one. I am in no way involved in the day-to-day running of the University. However, I am pleased that management and Council took steps in 2017 to promote financial sustainability at SU, while also providing assistance to academically deserving students in need of financial support.

The announcement by the President on 16 December 2017 that "fully subsidised free higher education and training for poor and working-class South Africans'' would be phased in from 2018 concluded a year dominated by this subject.

Up to that point, the higher education sector – if not the country as a whole – had been eagerly awaiting the state's response to the findings of the Fees Commission led by Judge Jonathan Heher. The commission of inquiry was set up in 2016 to investigate "the feasibility of making higher education and training fee-free".

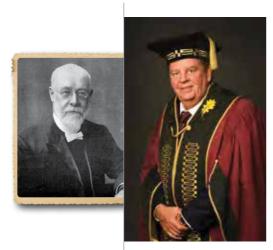
The announcement seemed to contradict the recommendations of the commission, which had raised doubts about the state's capacity to provide free higher education to all students. Unsurprisingly, therefore, the presidential announcement was followed by uncertainty about how the new dispensation would be funded. Calculations showed that the progressive introduction of free higher education would cost R57 billion over three years. There were indications that VAT would be increased to stabilise public funding and raise the required money.

What was not in doubt, however, was the need to provide access to higher education to as many South Africans as possible. It was this cause that caught the public's attention and sparked the #FeesMustFall student protests back in 2015.

This was the context in which Stellenbosch University (SU), as a leading higher education institution, found itself in the reporting period of 2017. On the eve of its Centenary year, the University, which had grown to a R6 billion organisation, had to find a way to continue the successes it had achieved in its core activities, and at the same time adapt to changing circumstances. It had to consolidate the progress it had made on many fronts as it prepared to enter its second century of existence.

BUDGETING FOR SUSTAINABILITY

Over a number of years, government subsidies for higher education have increasingly fallen behind cost increases. These not only include the consumer price index (CPI) of around 6%, but particularly also the higher education price index, which measures cost increases in the sector and has typically increased by about 1,7% more than the CPI per year. This is due to the high costs associated with research equipment and technology, international research publications, meeting accreditation and statutory requirements, and maintaining world-class facilities. It is



Dr IL Marais, first Chancellor, Dr Johann Rupert

Stellenbosch University, 1918 Chancellor, Stellenbosch University

particularly applicable to institutions such as SU that focus intensively on research and postgraduate studies.

As pointed out by the Chief Operating Officer elsewhere in this report, the financial pressures that had built up over time finally led to a situation in 2017 where the first projection of the University's main budget for 2018 to 2023 showed a cumulative deficit of R572 million. Clearly, changes had to be introduced. The approach chosen was to make the most of all revenue streams, namely state subsidies, tuition and accommodation fees, research contracts, philanthropic donations and commercial revenue.

The budget submitted to Council at the end of 2017 called for a general adjustment of 8% in 2018 student fees (undergraduate and postgraduate), plus differentiated adjustments (to be phased in for new students only) in some faculties. Student accommodation fees would increase by 9,2%. An additional tuition fee for international students was also introduced. Further measures that were implemented included a progressive shift of institutional expenditure on bursaries to the fourth income stream (donations) to

free up funds in the main budget, as well as a reduction in library expenditure on less popular electronic databases. Additionally, it was proposed that income from indirect cost recovery be increased, while an allocation from the Strategic Fund would be made available to balance the main budget.

I was glad to see that this produced a balanced main budget for the next six years, which Council went on to approve. It was important to prevent shortfalls from building up over the next few years, and the integrated budget that was eventually adopted would indeed avoid any deficit over a six-year planning horizon.

FINANCIAL ASSISTANCE TO **STUDENTS**

To mitigate the impact of the market-related fee increases, SU continues its support to academically deserving students who struggle financially. The University adjusted its own bursaries upwards in line with increases in tuition and accommodation fees. Every year, SU ploughs back more than half of its income from student fees in the form of financial aid to students.

In 2017, the University administered a total of R754 million in bursaries – R298 million as an agent for external funders (including for the National Student Financial Aid Scheme) and R456 million from its own funds and research contracts. of which R129 million was allocated from its main budget. Nearly a guarter of SU students - 23% to be exact received bursaries.

Yet even students receiving financial aid sometimes accumulate student debt due to shortfalls in funding. They would typically have overcome all kinds of obstacles to get to university in the first place, and worked very hard to achieve success in their studies, only to be weighed down by debt at the final hurdle.

I was therefore pleased to see the University introduce the #SU99 fundraising campaign, which specifically targeted this problem. Donors were asked for contributions to enable students to graduate debt-free at the end of the year. The campaign was most successful and raised more than RI million in a short space of time. It again illustrated the power of donors joining hands to support a worthy cause. From staff and students who dropped coins and notes from their pockets into collection boxes across campus, to alumni who donated online, to major donors who extended their support once more, SU's mission was yet again bolstered by friends and partners of the University.

INCOME STREAMS

Universities the world over face financial constraints due to pressure on both the public purse and the private sector. To be sustainable in the long run, they have to find ways of generating their own income.

Again, I am pleased that SU is doing relatively well in this regard. In 2017, 19,8% of the University's income came from allocations and research contracts, 3,5% from the sale of goods and services, and 4% from private donations. Nevertheless, the institution still had to rely on the state for 32% of its income, and on student study and accommodation fees for 21,8%. There is, therefore, room for improvement in terms of strengthening the third, fourth and fifth income streams.

CONCLUSION

In the run-up to SU's Centenary in 2018, Maties has become an esteemed research institution with a strong emphasis on innovation. For universities to be regarded as part of this league, they require stability, systemic sustainability, an outstanding academic reputation and an impeccable governance and management structure.

It is no coincidence that SU boasts all these features. Hard work by staff and other members of the University community has brought the institution to this point, as evidenced in this annual report.

Looking ahead, the challenge for the University now is to position itself to maintain its proven status as an excellent institution, to broaden access and to remain financially sustainable in the face of economic challenges.

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Vision 2030

We see Stellenbosch University as an inclusive, innovative and future-oriented place of discovery and excellence, where staff and students are thought leaders in advancing knowledge in service of our stakeholders.

STRATEGIC PRIORITIES

OUR INSTITUTIONAL

2013-2018

MISSION

We strive to achieve our vision for Stellenbosch University through sustained transformation and, on our journey of discovery through academia in the service of our stakeholders, we have resolved to:

- create an academic community in which social justice and equal opportunities will lead to systemic sustainability;
- investigate and innovatively implement appropriate and sustainable approaches to the development of Africa;
- align our research with a wide-ranging spectrum of challenges facing the world, Africa, our country and the local community;
- maintain student-centred and future-orientated learning and teaching that establish a passion for lifelong learning;

- invest in the innovative scholarship and creative ability of all our people;
- · leverage the inherent power of diversity; and
- establish and extend synergistic networks in which our University is a dynamic partner.

VALUES

Leadership in service of others

We promote the well-being of people and the world by leading with humility, responsibility and understanding.

Shared accountability

We realise and accept that, in the interests of the stakeholders we serve, we are jointly responsible for the achievement of the University's Vision.

Empathy

We promote human dignity through a culture of respectful behaviour - self-respect, respect for other people, and respect for the physical environment.

Innovation

We think and act in new and different ways and make good choices and decisions for ourselves, and for our stakeholders, the country, the continent and the planet.

Excellence

Everything we do is characterised by excellence.

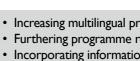
STRATEGIC THEMES

Increase access to new

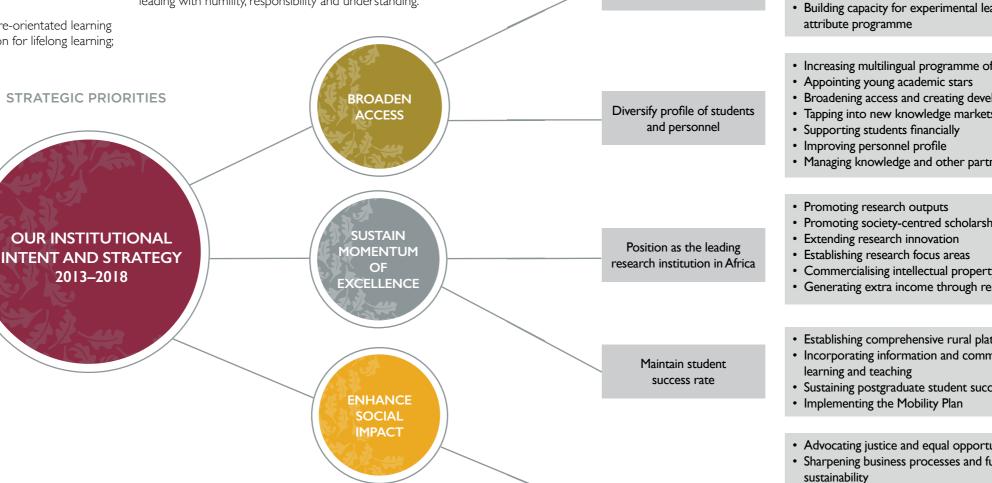
knowledge markets

Advance committed

visionary leadership



learning and teaching



- Managing knowledge and
- Pursuing environmental :
- Instituting integrated plan
- Inclusive

7

STAKEHOLDER GROUPS

We serve our stakeholders, who are:

- prospective students, students and parents;
- employees and pensioners;
- research partners;
- government, regulators and professional bodies;
- alumni:
- donors: and
- the community (civil society, non-governmental organisations, industry, other universities, schools, advisory councils, service providers and the media).

STRATEGIC GOALS	VISION 2030
ngual programme offering amme renewal ormation and communication technologies for hing for experimental learning and for a graduate nme	• • •
<i>"</i>	
ngual programme offering g academic stars is and creating development opportunities knowledge markets for greater value extractior nts financially anel profile dge and other partnerships	
ch outputs y-centred scholarship ch innovation rch focus areas intellectual property and business opportunities income through research partnerships	
prehensive rural platforms	
ormation and communication technologies for hing aduate student success Mobility Plan	•••
e and equal opportunities ess processes and fundraising for financial	••••
dge and other partnerships nental sustainability ted planning, budgeting and reporting	

Our institutional **BUSINESS MODEL**

The University's aspirational business model focuses on its manages to do this in a sustainable manner, determines key stakeholders and how to satisfy their needs by means of value-adding activities, such as learning and teaching, research, innovation, social impact, internationalisation and enabling professional support. The degree to which the University

the revenue streams to the University. At the same time, the offering of its various value-adding programmes requires resources and also requires the University, where appropriate, to partner with other organisations. This obviously has cost implications for the University.

Dimensions of our Business Model

PARTNERS

- I. Government and govermental agencies
- 2. Industry (local and international)
- 3. Alumni
- 4. Donors (local and international)
- 5. Association of African Universities
- 6. SU Council
- 7. International networks
- 8. Town Council and Municipality
- 9. Sport bodies (including Stellenbosch Academy of Sport)
- 10. South African Police Service and private security firms
- II. Selected supplier networks

COST STRUCTURE

- (as % of total expenditure)
- I. Employee cost: 46,9%
- 2. Operating cost: 46,7%
- 3. Other (depreciation and finance charges): 6,4%

ACTIVITIES

- I. Research and innovation (basic and applied)
- 2. Learning and teaching (on-campus, off-campus)
- 3. Social impact
- 4. Internationalisation
- 5. Enabling professional and administrative support services (Human Resources, Finances, Facilities Management, Safety and Security, Student Support, Information Technology, Sport, Mobility, Student Accommodation, Commercialisation, Quality Assurance)
- 6. Technology Transfer and Business Development
- 7. Corporate Communication and Public Relations
- 8. Development and Alumni Relations

RESOURCES

- I. SU brand / reputation
- 2. People (employees) capabilities and engagement, including ability to innovate
- 3. Faculties with need-driven and functional academic offering
- 4. Student ability to co-create value and be co-accountable
- 5. Facilities (academic and student housing, well-equipped laboratories, ITC facilities)
- 6. Intellectual capital
- 7. Funding resources
- 8. Well functioning administrative systems
- 9. Alumni
- 10. Industry
- II. Government
- 12. Supplier networks
- 13. Welcoming institutional culture

VALUE PROPOSITION

A function of:

- I. Reputation, global ranking and networks
- 2. Preferred higher education partner in Africa
- 3. Higher education gateway to Africa
- 4. Relevance and engagement: Local, Africa, Globa
- 5. Quality, success and expansive academic footprint
- 6. Accountability, affordability and inclusivity
- 7. Innovation and entrepreneurship: inputs, processes and outputs (Learning & Teaching; Research; Social Impact)
- 8. Systemic sustainability 9. Governance
- 10. Leveraging geographical location
- 11. Sport: Facilities, science, variety of codes, expertise, reputation
- 12. Safe and nurturing environment
- 13. Employer of first choice
- 14. University in service of society
- 15. Technology transfer: Patents, Licences, Innovus, LaunchLab, Portfolio of Spinout companies
- 16. Multilingualism
- 17. Co-curricular activities

INCOME STREAMS

(as % of total income)

- I. First-stream: Government grant: 32%
- 2. Second-stream: Student and accommodation fees: 21,8%
- 3. Third-stream: Research, investments, commercialisation and sales: 42,3%
- 4. Fourth-stream: Philanthropic donations and bequests: 3,9%

Delivery - Research

- I. Publications
- 2. Seminars

employability 3. Credibility, excellence and international recognition 4. Accessible and transferable higher

education

accessibility

proposition

education asset

communication

of HE in Africa

performance sport

RELATIONSHIPS

(per stakeholder group)

I. Enticing advantage

2. Enabling success and ensuring



KEY STAKEHOLDERS

- L. Staff
- 2. Prospective students
- 3. Students
- Undergraduate students
- Postgraduate students
- 4. International students
- 5. Mass market (diplomas)
- 6. Learn and earn students
- 7. Parents
- 8. Government
- 9. Industry
- 10. Donors
- II. Alumni
- 12. Stellenbosch Municipality and town
- 13. SU Council
- 14. Trade unions
- 15. International funding agencies
- 16. Association of African Universities
- 17. Sport local and international
- 18. Service suppliers through viable sourcing
- 19. Venture Capital Companies
- 20. Investors

3. Books

- 21. Research parners
- LEAD CHANNELS
- (for primary service rendering)
- I. Blended with learning and teaching 2. Joint projects with communities

4. Learning and teaching

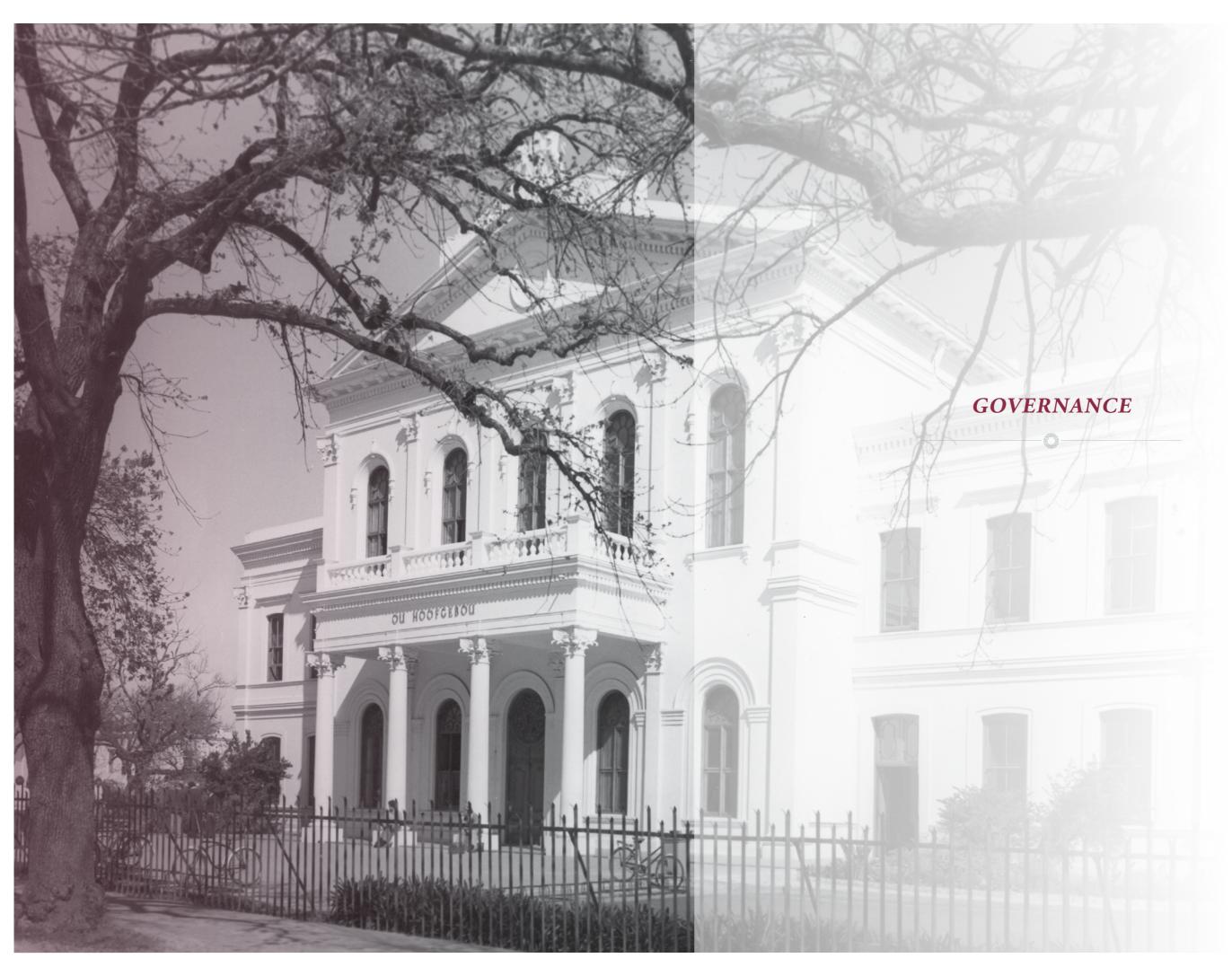
Delivery - Social impact

5. Innovus (technology transfer,

LaunchLab, commercialisation)

- 5. Flexibility and relevance 6. Safety, affordability, quality and
- 7. Competitve employee value
- 8. Recognised as a national higher
- 9. Partnership with industry to generate and disseminate new knowledge in a relevant effective manner 10. Governance, leverage for big issues
- II. Quality, information and
- 12. Sustainable cooperative existence with SU and alignment of goals 13. Well-governed world-class university
- 14. Co-ownership and promoting quality
- 15. Enabling environment for high-

- Delivery Learning and Teaching I. On campus face-to-face teaching 2. Blended learning (including web, telematic, experiential, action learning)
- 3. Virtual (including via partnerships)





Report of the CHAIR OF THE UNIVERSITY COUNCIL

Being responsible for oversight over academic and operational issues as well as policy and strategy at Stellenbosch University (SU), Council finds it encouraging that the institution continues to excel despite financial challenges and turbulent socio-political times.

INFORMED BY THE PAST, YET FIRMLY FOCUSED ON THE FUTURE

In as much as important decisions by Council in 2017 might have been informed by the University's past, they were at the same time squarely aimed at positioning the institution for the future. I will deal with the examples of the Language Policy, the Admissions Policy and the Campus Renewal Project below.

LANGUAGE POLICY

SU's new Language Policy, which was adopted in 2016, took effect in the year in review. The policy broadens access by accommodating students who prefer to study in English, while also still providing access to Afrikaans-speaking students.

By approving the proposed new Language Policy, Council expressed its unequivocal support for multilingualism, without excluding students just because they might not be proficient in either Afrikaans or English. The basic tenets of the policy are that the University's languages of instruction must promote access and academic success, and that the institution's language policy must serve its academic project.

Council specifically expressed its strong support for the multilingual context outlined in the new policy. In addition, the revised Language Policy acknowledges SU's role as a national asset, committed to engaging with knowledge in a diverse society. It gives effect to the Constitution of South Africa in relation to language use in the academic, administrative, professional and social contexts of the University, and also advances the institution's vision of being inclusive, innovative and future-focused.

Moreover, under the watchful eye of our Language Committee (see page 18), the Language Policy provides for mechanisms for academic oversight, effective management and good governance relating to language implementation. This occurs within a framework that enables faculties to customise their language implementation plans as well as their mechanisms for accountability and reporting to the relevant structures.

Two student surveys in 2017 indicated that the implementation of SÚ's Language Policy was going well. Council also noted faculties' feedback on the execution of their language implementation plans. The reports generally illustrate that systems and processes have been put in place to monitor the implementation of the Language Policy and address challenges.



Prof A Moorrees. first Vice-Chancellor and Chair of Council. George Stevn Stellenbosch University, 1918 Chair of Council

In 2016, the Gelyke Kanse group and eight other applicants launched a legal challenge against the Language Policy. The University opposed the challenge. The matter was heard in the Western Cape high court, which handed down judgement in October 2017, inter alia dismissing the application with cost. The matter is now on appeal.

ADMISSIONS POLICY

Another important policy that Council dealt with in the reporting period, was SU's Admissions Policy. Council adopted a revised version at the start of 2017, for implementation from 2018. The new policy broadens the criteria for admission beyond academic merit and population group to include socio-economic status as well. The aim is to provide greater access to disadvantaged students.

Three considerations for the admission of prospective students to SU study programmes underpin the new policy:

- proven academic merit at school;
- transforming the racial demography of SU's student body; and
- redressing the socio-economic disadvantage that some students experience.

This represents a nuanced set of indicators that enables the University to admit a diverse group of newcomer students with the potential for success. The three considerations complement one another through SU's strategy of excellence through diversity.

The fundamental objective is to maintain the University's LOOKING AHEAD culture of academic excellence by attracting the best applicants, and facilitating the transformation of SU so that In the reporting period, with the University approaching its Centenary, we reflected on our journey thus far, while always it has a more inclusive and representative student body. The keeping an eye on the road still to be travelled. Much work University's reputation as a centre of excellence depends remains as a new era awaits us - undoubtedly filled with on attracting and maintaining a diverse student body, as this new opportunities and challenges. enhances the learning environment.

On behalf of Council, I sincerely thank the University SU has revised its Admissions Policy as a leading national community for their hard work and lovalty towards the higher education institution, and as a national asset serving institution. A special word of appreciation to the outgoing the national interest and the nation as a whole. The policy Council vice-chair. Prof PW van der Walt, who served promotes access and success for students from diverse Council with dedication and wisdom over his terms of communities because Stellenbosch is indeed a university for office. The dedication of all Council members and the highly all South Africans. knowledgeable members of the various committees of Council is also much appreciated. CAMPUS RENEWAL PROJECT

Council approved SU's Campus Renewal Project (CRP) in 2014, as much of the University's physical infrastructure had become dysfunctional and run down due to a long-term lack of maintenance. This posed a risk to the sustainability of the academic project at SU. The physical facilities of the University are considered strategic assets and essential enablers of a world-class and systemically sustainable institution.

Good progress has since been made, but more work remains to be done. In 2017, Council approved the expansion of the CRP extending its timeline to 2027 and voting an additional R1.456 billion towards the initiative.

The main components of the expanded project will be the Faculty of Medicine and Health Sciences' Fisan building, the Engineering complex, and the refurbishment and expansion of a number of other buildings on Stellenbosch campus.

The additional amount will be funded from the annual real return on SU's long-term investments, up to a maximum of 4% – the same funding model as that approved for the original CRP. However, efforts to obtain additional funding from industry partners, donors and the state will continue.

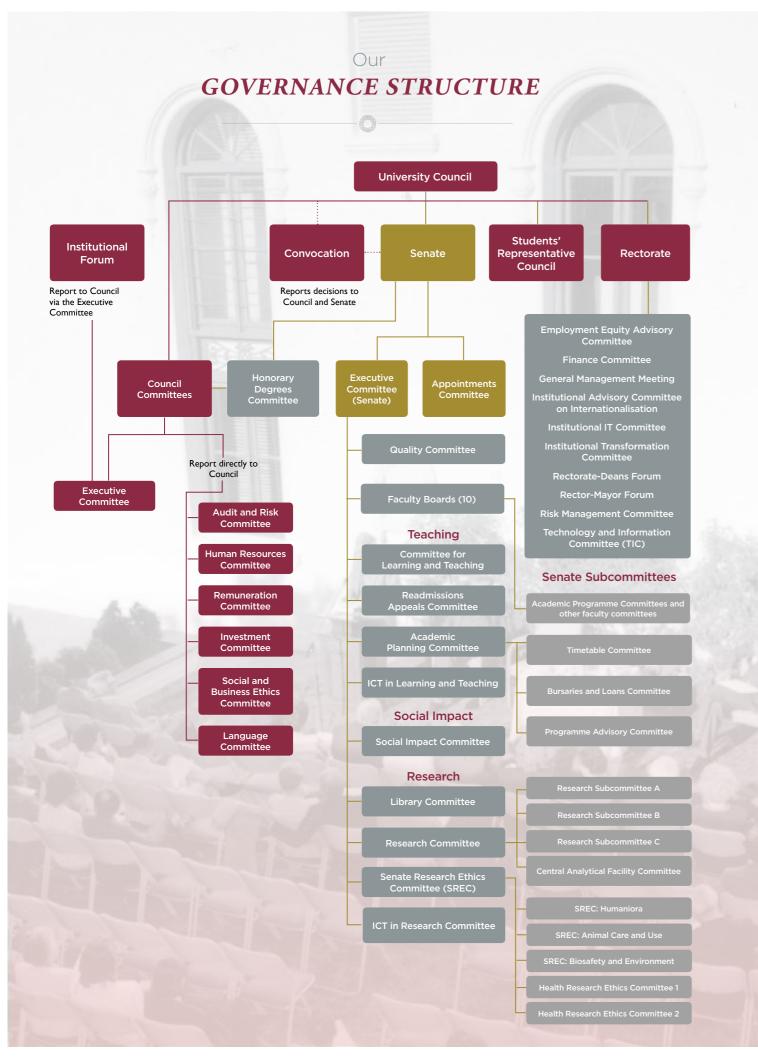
INTEGRATED REPORTING AND THE KING CODE OF GOOD GOVERNANCE

Council is mindful of its responsibility to ensure the integrity of integrated reporting as part of its oversight role and governance function. Although this report on the activities of 2017 is largely seen as SU's third integrated annual report, the publication still contains certain elements of a conventional annual report. This is to allow for compliance with the Department of Higher Education and Training's guidelines for reporting by higher education institutions published in Government Gazette no. 37726 of 9 June 2014, and to include the enrolment and effectiveness targets set for SU by the Minister of Education and Training (see page 33). Council members satisfied themselves as to the framework and contents of this report before Council finally signed off on the document on 18 June 2018.

SU subscribes to the principles of leadership, sustainability and corporate citizenship in terms of King III and IV, and our consolidated annual financial statements are drafted in accordance with the applicable prescripts of the International Financial Reporting Standards (IFRS).

George Steyn Chair of Council

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The **UNIVERSITY COUNCIL**

The University Council governs Stellenbosch University subject to the Higher Education Act (Act 101 of 1997) and the institutional statute. The functions and composition of Council are set out in the Statute of Stellenbosch University. Council members are listed below as at 18 June 2018, when Council approved the Stellenbosch University Annual Integrated Report 2017.

- Members of the Executive Committee of Council
- Members of the Audit and Risk Committee of Council
- Members of the Human Resources Committee of Council

Our statutory Council and Senate committees are shown in the diagram on the previous page. For information on the roles of the above-mentioned committees, see "University Council and subcommittees of Council", page 17.

	Name	Age	Qualifications	Term of office
X OFFICI	O MEMBERS			
Rector and	/ice-Chancellor			
••••	ProfWJS de Villiers	58	MB,ChB, MMed (Int) (SU), FCP(SA), DPhil (Oxon), MHCM (Harv), DSc hc (Coventry)	1.4.2015-31.3.2020
Chief Opera	ating Officer			
• •	Prof SA du Plessis	45	BCom (SU), BComHons (SU), MPhil (Cambridge), PhD (SU)	1.1.2018-31.12.2023
Outgoing	Prof L van Huyssteen	66	MScAgric, PhD (Agric) (SU)	1.4.2013-31.12.2017
Vice-Rector	(Social Impact, Transform	mation a	and Personnel)	1
	Prof NN Koopman	57	BA, BTh, BThHons, MTh, DTh (UWC)	1.7.2016-30.6.2021
Vice-Rector	(Learning and Teaching)			
•	Prof A Schoonwinkel	62	BEngHons, MEng (SU), MBA (UCT), PhD (Stanford), PrEng	1.9.2017-31.12.2020
Vice-Rector	(Research, Innovation a	nd Posts	graduate Studies)	
	ProfTE Cloete	60	MSc (UOFS), DSc (UP)	1.9.2017-31.7.2022
ELECTED I	BY THE PERMANENT	ACAD	EMIC STAFF (NON-SENATE MEMBERS)	
•	Prof J Fourie	35	MCom, PhD (Utrecht)	1.9.2016-31.8.2018
ELECTED I	BY THE PERMANENT	NON-	ACADEMIC STAFF	
•	Mr WP Davidse	48	BEcon, BPhil, MPhil (SU)	6.4.2018-5.4.2020
Outgoing	Me G Arangies	53	BCom (UPE), MBA (SU)	6.4.2016-5.4.2018
	Position vacant	_	-	-
APPOINTE		OF HI	GHER EDUCATION AND TRAINING	
•	Mr AR Diedrich	58	PGCerts Globalisation (GLU Kassel), DevEcon (BSE, Germany), EdMethod & Labour Ed (ACTRAV, Turin), Empl & SocSecur Law, Adult Ed (UCT)	23.3.2017–22.3.202
	Prof A Keet	53	MEd (UWC), PhD (UP)	1.12.2014-30.11.20
	Prof PG Maré	72	BAHons (UN), BAHons, MA (Wits), PhD (UN)	25.9.2014-24.9.2018
	Ms TS Lingela	61	BA, UED (Fort Hare), BEd (Rhodes), MEd (UDW, USA)	1.1.2014-31.12.2018
	Ms Z Stuurman	29	BAHons Political Science (SU)	13.7.2017-12.7.202
	Position vacant	-	-	-
ELECTED I	BY THE CONVOCATI	ON		
Outgoing	Prof WAM Carstens	65	MA, DLitt (SU)	2.4.2014-1.4.2018
Outgoing	Prof GJ Crafford	39	MSc Bourek (UPE), PhD (NMMU), MBA (SU)	4.11.2016-1.4.2020
	Mr CD Cillié	43	BSc, BScHons (Medical Physiology), BPhil (Logistics & Transport Economics)	2.4.2018-1.4.2022
	Prof AR Coetzee	67	MB,ChB, MMed (Anes), PhD, MD, PhD, DSc (SU), FCA(SA), FFARCS	2.4.2016-1.4.2020
	Mr H Gonzales	30	LLB (SU), registered attorney	2.4.2016-1.4.2020
	Prof JH Hambidge	62	BAHons (SU), MA (UP), PhD (Rhodes), PhD (UCT)	2.4.2018-1.4.2020
	Adv JJ Meiring	45	BA, BAHons (Latyn), LLB (SU), BCL (Oxon)	2.4.2018-1.4.2022
	Mr JG Theron	55	BA Law, LLB (SU)	2.4.2018-1.4.2022



- Members of the Investment Committee of Council
- Members of the Remuneration Committee of Council
- Members of the Social and Business Ethics Committee of Council
- Members of the Language Committee of Council

	Name	Age	Qualifications	Term of office
ELECTED	BY SENATE			
	Prof UME Chikte	64	PhD (SU), MSc (UCL), MDent, DHSM (Wits), BChD (UWC)	1.1.2018-31.12.2019
	Prof A Gouws	59	MA (RAU), PhD (Illinois, Urbana-Champaign)	1.1.2018-31.12.2019
•	Prof MA Fataar	52	BA, HDE, BAHons, MPhil, PhD (UWC)	1.7.2018-30.6.2020
APPOINTE	D BY THE COUNCIL OF	THE M	IUNICIPALITY OF STELLENBOSCH	
	Adv GMM van Deventer	59	Dip Viticulture and Botany, Dip Cellar Master and Wine Maker (First Class) (Elsenburg), BA Law, LLB (SU)	1.12.2016– 30.11.2021
ELECTED	BY THE DONORS			
• • •	Mr GM Steyn (Chair from 2.4.2012)	59	BA Law, LLB (SU)	2.4.2018–1.4.2022
	Mr HR Brody	54	BAccHons (SU), CA(SA), EMP (UCT)	2.4.2018-1.4.2022
• • •	Mr JJ Durand	51	BAccHons (SU), MPhil (Oxon), CA(SA)	2.4.2016-1.4.2020
Outgoing	Prof PW van der Walt (Vice-Chair from 7.5.2012)	70	BScBEng, MEng, PhD (SU)	2.4.2014–1.4.2018
ELECTED	BY THE PREMIER OF THE	WEST	ERN CAPE PROVINCIAL GOVERNMENT	
• • •	Mr AP van der Westhuizen	59	BCom, HED, MEd (SU)	1.8.2014-31.7.2018
ELECTED	BY COUNCIL			
•	Mr AV Moos	40	BA, BPhil Journalism, MBA (SU)	1.6.2018-31.5.2022
•	Ms K Njobe	47	Biology (UCLA, USA), MSc (Zoology) (UP), MTE (IMD, Switzerland)	1.6.2018-31.5.2022
ELECTED	BY THE STUDENTS' REPR		TATIVE COUNCIL	
•	Mr EL Etson	23	-	1.1.2018-31.12.2018
	Mr L Nkamisa	26	-	1.1.2018-31.12.2018
Outgoing	Me LA Julies	23	-	24.4.2017– 31.12.2017
Outgoing	Mr TM Mlangeni	19	-	10.3.2017– 31.12.2017
The followi	ng non-Council members v	vere a	ppointed as additional members of the Audit and Risk Co	ommittee
• •	Prof DP du Plessis		BSc (UCT), MBA, DBA (SU)	
••	Prof DP du Plessis Mr JP Bester		BSc (UCT), MBA, DBA (SU) BComHons (Acc) (SU), BComHons (ManAcc), BComHons (InformSys) (UCT), CA(SA)	
			BComHons (Acc) (SU), BComHons (ManAcc), BComHons	
• •	Mr JP Bester		BComHons (Acc) (SU), BComHons (ManAcc), BComHons (InformSys) (UCT), CA(SA)	
• •	Mr JP Bester Mr BHJ Wessels Mr H van der Ahee	were a	BComHons (Acc) (SU), BComHons (ManAcc), BComHons (InformSys) (UCT), CA(SA) BCompt (Unisa), GIA(SA) BEng (Chem), BAcc, BComHons (Taxation) (SU), BComp-	mittee
• •	Mr JP Bester Mr BHJ Wessels Mr H van der Ahee	were a	BComHons (Acc) (SU), BComHons (ManAcc), BComHons (InformSys) (UCT), CA(SA) BCompt (Unisa), GIA(SA) BEng (Chem), BAcc, BComHons (Taxation) (SU), BComp- tHons (Unisa), CA(SA)	mittee
• • • • The followi	Mr JP Bester Mr BHJ Wessels Mr H van der Ahee ng non-Council members v	were a	BComHons (Acc) (SU), BComHons (ManAcc), BComHons (InformSys) (UCT), CA(SA) BCompt (Unisa), GIA(SA) BEng (Chem), BAcc, BComHons (Taxation) (SU), BComp- tHons (Unisa), CA(SA) ppointed by Council as members of the Investment Com	mittee
• • • The followi • •	Mr JP Bester Mr BHJ Wessels Mr H van der Ahee ng non-Council members v Prof DP du Plessis	were a	BComHons (Acc) (SU), BComHons (ManAcc), BComHons (InformSys) (UCT), CA(SA) BCompt (Unisa), GIA(SA) BEng (Chem), BAcc, BComHons (Taxation) (SU), BComp- tHons (Unisa), CA(SA) ppointed by Council as members of the Investment Com BSc (UCT), MBA, DBA (SU)	mittee
• • • • • • • • • •	Mr JP Bester Mr BHJ Wessels Mr H van der Ahee ng non-Council members v Prof DP du Plessis Mr GT Ferreira	were a	BComHons (Acc) (SU), BComHons (ManAcc), BComHons (InformSys) (UCT), CA(SA) BCompt (Unisa), GIA(SA) BEng (Chem), BAcc, BComHons (Taxation) (SU), BComp- tHons (Unisa), CA(SA) ppointed by Council as members of the Investment Com BSc (UCT), MBA, DBA (SU) BCom, MBA (SU)	mittee
The followi	Mr JP Bester Mr BHJ Wessels Mr H van der Ahee ng non-Council members v Prof DP du Plessis Mr GT Ferreira Prof JD Krige	were a	BComHons (Acc) (SU), BComHons (ManAcc), BComHons (InformSys) (UCT), CA(SA) BCompt (Unisa), GIA(SA) BEng (Chem), BAcc, BComHons (Taxation) (SU), BComp- tHons (Unisa), CA(SA) ppointed by Council as members of the Investment Com BSc (UCT), MBA, DBA (SU) BCom, MBA (SU) MCom (SU), FIA (London)	mittee
The followi	Mr JP Bester Mr BHJ Wessels Mr H van der Ahee ng non-Council members v Prof DP du Plessis Mr GT Ferreira Prof JD Krige Mr DK Smith	were a	BComHons (Acc) (SU), BComHons (ManAcc), BComHons (InformSys) (UCT), CA(SA) BCompt (Unisa), GIA(SA) BEng (Chem), BAcc, BComHons (Taxation) (SU), BComp- tHons (Unisa), CA(SA) ppointed by Council as members of the Investment Com BSc (UCT), MBA, DBA (SU) BCom, MBA (SU) MCom (SU), FIA (London) BSc (SU), FASSA, ISMP (HBS)	mittee
The followi • • • • • • •	Mr JP Bester Mr BHJ Wessels Mr H van der Ahee ng non-Council members v Prof DP du Plessis Mr GT Ferreira Prof JD Krige Mr DK Smith Mr MM du Toit Ms E de la Harpe-Meaker		BComHons (Acc) (SU), BComHons (ManAcc), BComHons (InformSys) (UCT), CA(SA) BCompt (Unisa), GIA(SA) BEng (Chem), BAcc, BComHons (Taxation) (SU), BComp- tHons (Unisa), CA(SA) ppointed by Council as members of the Investment Com BSc (UCT), MBA, DBA (SU) BCom, MBA (SU) MCom (SU), FIA (London) BSc (SU), FASSA, ISMP (HBS) BScAgric, MBA (SU) BAHons (SU)	
The followi ••• ••• •• •• •• ••	Mr JP Bester Mr BHJ Wessels Mr H van der Ahee ng non-Council members v Prof DP du Plessis Mr GT Ferreira Prof JD Krige Mr DK Smith Mr MM du Toit Ms E de la Harpe-Meaker		BComHons (Acc) (SU), BComHons (ManAcc), BComHons (InformSys) (UCT), CA(SA) BCompt (Unisa), GIA(SA) BEng (Chem), BAcc, BComHons (Taxation) (SU), BComp- tHons (Unisa), CA(SA) ppointed by Council as members of the Investment Com BSc (UCT), MBA, DBA (SU) BCom, MBA (SU) MCom (SU), FIA (London) BSc (SU), FASSA, ISMP (HBS) BScAgric, MBA (SU) BAHons (SU) pointed by Council as members of the Social and Business BComHons (Acc) (SU), BComHons (ManAcc), BComHons	
The followi	Mr JP Bester Mr BHJ Wessels Mr H van der Ahee ng non-Council members v Prof DP du Plessis Mr GT Ferreira Prof JD Krige Mr DK Smith Mr MM du Toit Ms E de la Harpe-Meaker ng non-Council members w		BComHons (Acc) (SU), BComHons (ManAcc), BComHons (InformSys) (UCT), CA(SA) BCompt (Unisa), GIA(SA) BEng (Chem), BAcc, BComHons (Taxation) (SU), BComp- tHons (Unisa), CA(SA) ppointed by Council as members of the Investment Com BSc (UCT), MBA, DBA (SU) BCom, MBA (SU) MCom (SU), FIA (London) BSc (SU), FASSA, ISMP (HBS) BScAgric, MBA (SU) BAHons (SU) pointed by Council as members of the Social and Business	
The followi • • • • • • • • • • • • • • •	Mr JP Bester Mr BHJ Wessels Mr H van der Ahee ng non-Council members v Prof DP du Plessis Mr GT Ferreira Prof JD Krige Mr DK Smith Mr MM du Toit Ms E de la Harpe-Meaker ng non-Council members v Mr JP Bester		BComHons (Acc) (SU), BComHons (ManAcc), BComHons (InformSys) (UCT), CA(SA) BCompt (Unisa), GIA(SA) BEng (Chem), BAcc, BComHons (Taxation) (SU), BComp- tHons (Unisa), CA(SA) ppointed by Council as members of the Investment Com BSc (UCT), MBA, DBA (SU) BCom, MBA (SU) MCom (SU), FIA (London) BSc (SU), FASSA, ISMP (HBS) BScAgric, MBA (SU) BAHons (SU) pointed by Council as members of the Social and Business BComHons (Acc) (SU), BComHons (ManAcc), BComHons (InformSys) (UCT), CA(SA)	

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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.

UNIVERSITY COUNCIL AND SUBCOMMITTEES OF COUNCIL

The University Council (hereafter referred to as Council) is Council officially met five times during the reporting year. committed to sound management principles and ensures that The University reports that the average Council meeting the University is managed in a responsible and transparent rate of attendance by Council members was 80% for the manner as befits a good corporate citizen. Business allocated year under review. The lowest rate of attendance was 71%. to Council for consideration and decision-making is set out in the Statute of the University, either by established practices or Council has created structures to ensure that its obligations in terms of the Higher Education Act, 1997. In addition, Council to all interest groups are duly met at all times. The following committees of Council play a direct role in the effective is accountable to its various interest groups.

Council is comprised of 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 current students of the University. The role of the Chair of Council is separate from the role of the Rector and Vice-Chancellor of the University. The Chair of Council was reelected in 2018 to serve a further term as Chair of Council from 2 April 2018 to 1 April 2022.

Council consisted of 28 members during 2017 (2 positions are vacant). Council is comprised of five executive Council members, 12 independent non-executive Council members, five employees of the University, four members appointed

THE UNIVERSITY COUNCIL AND SUBCOMMITTEES OF COUNCIL:

MEMBERSHIP AND AT TENDANCE OF MEETINGS IN 2017					
	Number of members	Positions filled	Number of meetings	Average attendance	
Audit and Risk Committee	7	7	4	71%	
Executive Committee	7	7	6	86%	
Human Resources Committee	5	5	5	88%	
Investment Committee	8	8	4	70%	
Language Committee	8	8	3	67%	
Remuneration Committee	4	4		75%	
Social and Business Ethics Committee	6	6	4	81%	
University Council	30	28	5	80%	

EXECUTIVE COMMITTEE OF COUNCIL

The Executive Committee of Council within its delegated progress in terms of the approved budgets and results. The powers makes decisions on behalf of Council, deals with committee is also responsible for ensuring that the University business on behalf of Council, advises Council on policy is financially sound and remains a going concern. decisions and, in the period between Council meetings, The Executive Committee of Council meets at least five liaises with senior management on matters impacting the times a year and consists of seven members, who are also functions of Council. The committee also fulfils a monitoring members of Council . Currently seven positions are filled as and control function on behalf of Council in that it makes set out on pages 15 and 16. This committee met six times recommendations on the University's transformation targets during the reporting year and has no matters pending. The and monitors implementation, makes recommendations Executive Committee rate of attendance for 2017 averaged 86%. on the annual operating and capital budgets, and monitors

by government and two appointed by the students. The names of the members, their qualifications and terms of office appear on pages 15 and 16.

functioning of the University: the Executive Committee of Council; the Human Resources Committee of Council; the Remuneration Committee of Council; the Audit and Risk Committee of Council, the Social and Business Ethics Committee of Council, the Investment Committee of Council and the Language Committee of Council. All the committees are formally constituted with written mandates and are mainly comprised of members of Council who are not staff members or students of the University.

The Council committees meet at different intervals, with some meeting before every Council meeting and others as and when required.



AUDIT AND RISK COMMITTEE OF COUNCIL

The Audit and Risk Committee (ARC), whose terms of reference and work plan were updated and approved by Council in 2017, functions in terms of a written Council mandate. Regarding the University and its associated legal entities, the ARC is accountable to Council for the following:

- the safeguarding of assets and investments;
- the effectiveness of the integrated assurance process, especially regarding financial controls;
- the governance of risk management;
- information and technology governance;
- the review of internal and external audit processes, independence and reports;
- the review of the forensic audit process and reports;
- the evaluation of the effectiveness of the Finance function;
- compliance with various statutory requirements;
- the review of accounting policy;
- the review of financial reporting;
- integrated reporting and sustainability issues; and
- the position of the University as a going concern.

The Audit and Risk Committee of Council, whose Chair and members are also members of 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. The Committee consists of seven members, as set out on pages 15 and 16. Currently seven positions are filled. The meetings are also attended by the University's internal and external auditors, and its senior management. The unrestricted access of the auditors to the Audit and Risk Committee ensures their independence. The Committee may seek independent professional advice in fulfilling its responsibilities.

The Committee meets at least four times a year, one meeting of which is dedicated to risk-related matters. The Committee performs an annual self-evaluation of its functioning.

HUMAN RESOURCES COMMITTEE OF COUNCIL

The Human Resources Committee of Council's mandate includes recommendations to Council regarding general strategy and broad policy on employee matters as well as appointments and promotions of senior employees. The committee also communicates appointments and promotions of employees on job grade 4 in terms of its delegated authority by Council.

The Committee consists of five members, namely the Chair of Council (as chair); the Vice-Chair of Council; the Rector; a member of Council not appointed by the staff or students of the University; and a member appointed by the employee interest groups of the University. In addition two ex officio members (without voting rights) also serve on the Committee, namely the Vice-Rector (Social Impact, Transformation and Personnel) and the Chief Director: Human Resources. Currently all five positions are filled as set out on pages 15 and 16. The Committee met five times during 2017.

INVESTMENT COMMITTEE OF COUNCIL

The Investment Committee appoints asset managers for short- and long-term investment funds of the University and the Stellenbosch Trust respectively. This Committee mandates asset managers, monitors the performance of the asset managers guarterly and reports to Council and the Stellenbosch Trust trustees.

The Investment Committee is comprised of four members appointed by Council and four members appointed by the Stellenbosch Trust as set out on pages 15 and 16. Additional members may be coopted on the grounds of their expertise. The Rector and the Chief Operating Officer are ex officio members. The Chief Director: Finance attends the meetings on the grounds of his administrative responsibilities and the secretariat is provided by the Deputy Director: Financial Planning and Asset Management. The Committee meets at least twice a year; it met four times in 2017.

LANGUAGE COMMITTEE OF COUNCIL

The Language Committee is responsible for the oversight of language issues and liaises closely with other committees and the executive management of the University in the execution of the following tasks among others:

- oversight of the monitoring, assessment and measurement of the University's activities related to language;
- the consideration of substantive national and international guidelines, best practice and legislation in respect of language;
- advising management regarding sensitive language implementation issues that may develop urgently and continually.;
- inspecting Senate's semester reports to management, as well as management's reaction to them, and making recommendations to Council;
- deliberating on management's annual report on language to Council before the Council meeting and, if necessary, offering input and recommendations to Council:
- ensuring that executive management put in place sufficient capacity to execute the University's Language Policy; and
- · forwarding real risks perceived to the Audit and Risk Committee.

The Language Committee is composed of the Rector; the Vice-Rector (Learning and Teaching); five members of Council appointed from the members elected respectively by Senate, the Minister, the Convocation, the Students' Representative Council and the independent members of Council; and a co-opted member, who is an expert on language and the pedagogic value of language, appointed by the Language Committee as set out on pages 15 and 16. The chair has to be a non-executive member of Council and is appointed by Council. The Committee may, at its discretion, approach any additional persons with relevant competencies to attend meetings and assist the Committee in the execution of its duties. The Committee meets at least twice a year.

In 2017 the Committee executed its functions for the first time with the introduction of the newly revised Language Policy. Effective new monitoring mechanisms instituted by Council found that the faculties implemented the new policy smoothly and conscientiously. Two surveys targeting students on the implementation and effectiveness of the policy were done early in the first and second semesters and confirmed the reports of the faculties, Senate and management that the revised Language Policy is succeeding in realising its goals.

REMUNERATION COMMITTEE OF COUNCIL

The Remuneration Committee is responsible for setting general strategy and broad policy on matters concerning staff remuneration and fringe benefits and makes recommendations to Council regarding general remuneration increases. The Remuneration Committee also advises Council on the remuneration of the Ombud and members of the Rectorate.

The Remuneration Committee of Council is comprised of the Chair of Council; the Vice-Chair of Council (as chair); and three ex officio members (without voting rights), namely the Chief Director: Human Resources; the Director: Human Resources (Remuneration and Benefits) and a member of the Chief Operating Officer's responsibility centre as set out on pages 15 and 16.

The Committee met twice in 2017. Its recommendations regarding an improved and expanded mandate has been accepted by Council.

SOCIAL AND BUSINESS ETHICS COMMITTEE OF COUNCIL

The Social and Business Ethics Committee (SBC) of Council was formed at the end of 2014 and started functioning in 2015. The key function of the committee is to serve as the social conscience of the University, and to ensure that the institution acts as a responsible corporate citizen. The committee has overall responsibility for establishing corporate ethical values and associated codes of conduct and policies, ensuring that the principles of ethical business practice are adhered to and evaluating the impact thereof. The Committee makes the necessary announcements and recommendations in terms of its findings to Council.

The committee is comprised of six members, namely two non-executive Council members, two representatives from University management, one staff member with the required expertise and one external member, who is also a member of the Audit and Risk Committee as set out on pages 15 and 16. The Chair is a non-executive Council member.

The committee met four times during 2017. The key aspects that were considered in 2017 included the use of an ethical code, ethical aspects regarding declaration of interest with senior appointments and the role, responsibilities and power of the Ombud.

COMPLYING WITH LAWS, CODES, **REGULATIONS AND STANDARDS**

The University subscribes to the philosophy of leadership, sustainability and corporate citizenship as set out in King The University's internal auditors commenced with a III and IV. Where King III requires an explanation of areas compliance function assessment towards the end of 2016. of non-conformation by business entities who declare that Action plans and a road map have been agreed with they adhere to the principles, King IV requires conformation management to be actioned in 2017 through 2018. to its governance principles and an explanation. As at 31 December 2017 the University did not comply with the following in respect of King III:

Area	Explanation
Statute of the University	Where the amended Statute, which complies ments of King III, compensating measures wi The SU Statute is currently being amended
Succession planning	Given that Council members are appointed by
and talent management	management is not possible. Succession plann
of Council members	appointment of their representatives in Coun
Council committees	King III requires the various Council commit annually. Taking into consideration that some the annual review of these regulations and s effect, all regulations of Council committees to the Statute. Thereafter regulations will be
Remuneration	Remuneration disclosure meets the requirer
disclosure	Education Institutions and King III requireme
Training register	Given the expertise of the members and the
for Audit and Risk	Committee members is not deemed necess
Committee members	professional training and development on a

SHARING INFORMATION ACCORDING TO PAIA

Stellenbosch University is committed to fostering a culture of transparency and accountability through compliance with the Promotion of Access to Information Act (No. 2 of 2000) (PAIA) and to information sharing when appropriate. The University submitted its compulsory section 32 report for April 2016 to March 2017 to the South African Human Rights Commission, on 11 April 2017. From January 2017 to December 2017, the University received 11 requests made under the Act. Of these, four were granted, one was refused as the requested records did not exist (Section 23 of PAIA), three were refused due to the mandatory protection of privacy of a third party who is a natural person (Section 34 of PAIA), one was refused due to the mandatory protection of records privileged from production in legal proceedings (Section 40 of PAIA), and two were refused under Section 44 of PAIA as the requested records contained consultative advice given to Stellenbosch University in confidence.

REPORTING UNDER KING III AND KING IV

The King Code of Governance Principles (King III) has been applicable to all business entities, including universities, since I 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. Implementation of the King IV Report's principles, published in November 2016 and to be conformed to by entities whose book year commences after 1 April 2017, has also been initiated.

ies with the Higher Education Act, does not meet the requireill be put in place for observing the purpose of the guidelines. and will adhere to the principles of King IV once complete.

by various interest groups based on specific expertise, talent ning is done by the respective interest groups responsible for the

ttees to review their regulations to perform a self-assessment e of the committees by nature require only biannual meetings, self-assessment are impractical. Once the new Statute comes into will be reviewed and adjusted, in order to align the regulations e reviewed as and when necessary.

ements as set by the Regulations for Reporting by Higher ents are currently not being met.

he positions they hold, additional training for Audit and Risk sary. Members will be required to confirm their continuous regular basis.

Area	Explanation
Combined audit insurance framework and reporting	A combined audit assurance framework was developed by management and the internal auditors, and served before the Audit and Risk Committee of Council during 2017. As a result, the Committee added to its annual meeting schedule a meeting dedicated to risk management (see page 70).
Ensuring compliance with legislation	The appointment of an additional legal advisor in the Legal Services Division supporting the Director, provides the capacity for the development of a compliance function including the drafting of a legal compliance policy, plan and framework. The internal audit assessment of the compliance function will provide guidance for further steps and action to be taken. The responsibility for compliance remains at an operational level in line with the embedded risk management model (see page 72). A Compliance Officer was appointed towards the end of 2017.

Conforming to the King III and IV principles is an ongoing **PURCHASING AND TENDERING** process and conforming to corporate governance principles is therefore evaluated continuously. The University already has processes in place to evaluate the impact and implementation of King IV in order to ensure adherence. Some of the University's innovations in governance are described under "Sound and responsible governance processes" in the report of the Chief Operations Officer, page 44.

FINANCIAL AND CORPORATE MANAGEMENT

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 reliability 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 diligently to rectify deficiencies of control and offer the opportunity to improve the system as and when deficiencies are identified. The University also has a formal procedure in place for reporting possible anomalies or fraud.

The University functions in terms of a value system that is set out in its Strategic Framework and has been adopted by the University community. Financial management is based on a set of principles that was adopted by Council on 19 May 2003. The University also has an Assurance and Promotion of Ethically Accountable Research Policy. This policy is applied by five ethics committees (two for research in relation to health and 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 policy already apply at the time of assessment of the purpose of the particular research and the formulation of 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.

PROCEDURES

The Purchasing and Provision Services Department is responsible for the development and implementation of a centralised purchasing policy and procedure that is based on ethics, fairness, impartiality, transparency and competitive cost-effectiveness. In this way, the Department wishes to offer all service providers from all communities the opportunity to do business with SU, irrespective of race, gender or faith.

Price limits determine when service or product purchases need to be put out to tender or how many quotations should be obtained. A distinction is also made between institutional, strategic and capital tenders, as well as tenders that do not affect the operations of SU as a whole, such as the purchasing of research equipment. These purchases are each subject to their own set of rules in terms of the approvals needed before tenders may be invited and awarded. The rules are contained in SU's Purchasing and Tender Policy as well as the Rules with regard to Delegation of Authority and Responsibilities. Prior to each tender adjudication, members of the tender committee are expected to complete a declaration-ofinterest form. If any member appears to have conflicting interests, that member does not take part in the adjudication.

Following labour unrests, the Rectorate resolved in 2016 that the interests of external service providers' staff and of the University would be best served by means of a viable sourcing model. Viable sourcing would commence upon the expiry of essential-services contracts, such as cleaning services. This model will enable the University to transparently determine the optimal solution for the supply of these services to SU, considering various stakeholders' inputs. (In this regard, also see the Chief Operations Officer's report, "Sound and responsible governance processes" on page 44.) The underlying principles of the model include:

- human dignity;
- sustainability of SU;
- financial feasibility;
- transparency and confidentiality;
- stakeholder inputs;
- signing of a code of conduct;
- corporate governance; and
- best mutual benefit.

Tenders awarded for continuous services in terms of this model during 2017 included those for the sourcing of security services and of landscaping and gardening services. Tenders were also invited for various capital projects, the largest of which was the building of a new learning and teaching centre, the Jan Mouton Learning Centre. See the tables alongside for the tender committee members of the various projects.

In all instances below, the adjudication and appointments occurred in terms of the provisions of SU's Purchasing and Tender Policy as well as the Rules with regard to Delegation of Authority and Responsibilities.

MEMBERS OF THE TENDER COMMIT	TEE FOR THE SOUR
Name	Position
Ms M du Toit	Head:Transformation (
MrV van der Walt	Director: Risk and Pro
Mr A Echardt	Operations Manager: I
Mr B Malan	Compliance Officer: Si
Mr E Mouton	Director: Business Mar
Ms A Rossouw	Facilities Manager
Ms F Majiet	Director: Financial Ser
Ms M Malan	Business Manager: Faci
MEMBERS OF THE TENDER COMMIT	TEE FOR THE SOURC
Mr H Swanepoel	Director: SunCom
Ms C Klein	Facilities Manager
Ms M Malan	Business Manager: Faci
Mr J de Wet	Environmental Sustaina
Ms M Pittaway	Environmental Speciali
Ms M du Toit	Head:Transformation (
Ms F Majiet	Director: Financial Serv
Mr N Gafieldien	Director: Property Ser
MEMBERS OF THE TENDER COMMIT	TEE FOR THE BUILD
Ms I Louw	Senior Project Manage
Mr AC Kriel	Manager: Capital Proje
Ms M Malan	Business Manager: Faci
Mr JA Engelbrecht	Director: Planning and
Ms N van den Eijkel	Chief Director: Facilitie

suffer from substance abuse – also avail themselves of students' STUDENT PARTICIPATION skills and knowledge. The Welcoming and Monitoring Work The participation of students in decisionmaking is important Group, who manages the welcoming of newcomer students, to the University, as also set out in the Strategic Framework. consists of various student representatives and all but one of the monitors are from student ranks. The Stellenbosch At a macrolevel students have a seat in the highest formal University Advisory Forum for Student Support Services structures of authority, such as the Students' Representative also includes student representatives.

Council (SRC) representation in Council, the Senate and the Institutional Forum. Students are also members of the The Student Councils of Stellenbosch, Tygerberg and the faculty boards, the Student Fees Committee, the Honorary Military Academy assist with the leadership development of Degrees Committee, the Social Impact Committee and the students. The Frederik van Zyl Slabbert Institute for Student selection committees for the appointment of the Rector Leadership Development at the Centre for Student Affairs and Vice-Rectors. Furthermore, students serve in various presents leadership development opportunities for both important working committees, such as the Bursaries and positional leaders (also from residences and private student Loans Committee, the Central Disciplinary Committee, the wards) and non-positional leaders. The constitution of the Societies' Council makes provision for student societies, Quality Committee, the Library Committee and the Student Accommodation Committee, Student representatives are under the leadership of an SRC member, to play a more appointed from the faculties to form the Academic Affairs structured role in the development of a diverse and healthy Council (AAC), the Chairman and Vice-Chairman of which student community. perform various representative functions in the area of the The Chairs of the SRC and the AAC have bimonthly fixed Vice-Rector (Learning and Teaching). They serve, among meetings with the Vice-Rector (Learning and Teaching), in others, on the Academic Planning Committee and the addition to ad hoc meetings arranged as and when required. Learning and Teaching Committee. Furthermore, the Executive Committee of the SRC meets at least 10 times with the Rectorate annually for discussing Various advisory forums - for instance for students with special learning needs or HIV/Aids or who are harassed or general management matters.

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CING OF LANDSCAPING AND GARDENING SERVICES
lities Management
ability Manager
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DING OF THE JAN MOUTON LEARNING CENTRE
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Development (acting)
es Management

Report of SENATE TO COUNCIL

As a statutory body, Senate made an important contribution to the positioning of Stellenbosch University as a full-fledged 21st-century university during the reporting year. Senate met four times during 2017 to discuss contributions by its various committees, namely the Executive Committee of Senate, the Appointments Committee, the Quality Committee, the various faculty boards, the Committee on Learning and Teaching, the Readmissions Appeals Committee, the Academic Planning Committee, the Social Impact Committee, the Library Committee, the Research Committee, the Senate Research Ethics Committee, and the Honorary Degrees Committee (see "Our governance structure" on page 14). These discussions were followed by specific recommendations to Council.

Matters that received attention at Senate meetings included the recommendation to Council of a number of new academic programmes, a transformation plan, amendments to the Short Course Policy, as well as the appointment of deans. The latter included recommendations on the appointment of deans for the faculties of Education, Arts and Social Sciences, Theology, and Economic and Management Sciences. In addition, Senate approved doctoral research topics and discussed a range of teaching and community activities in connection with academia.

Due to limited capacity and the large number of applications received, all the University's undergraduate programmes have been selection programmes for the past number of years.

CHANGE IN ACADEMIC STRUCTURES

No changes were made to academic structures during 2017.

PROMOTION OF PROGRAMME RENEWAL

The Department of Higher Education and Training and the Council on Higher Education respectively approved and accredited the following new programmes in 2017:

Undergraduate

No undergraduate programmes were approved.

Postgraduate

- Doctor of Philosophy in Biomedical Engineering
- Master of Arts in Public Sociology and Anthropology
- Master of Engineering in Biomedical Engineering (Research)
- Master of Engineering in Biomedical Engineering (Structured)
- Master of Mindfulness name changed to Master of Philosophy in Mindfulness
- Master of Science in Implementation Science

- Postgraduate Diploma in Engineering
- Postgraduate Diploma in Medical Toxicology
- Postgraduate Diploma in State Procurement Policy and Regulation
- Professional Master of Law in Intellectual Property Law
- Professional Master of Law in State Procurement Policy and Regulation

COMPOSITION OF SENATE

Senate was constituted as prescribed by the Stellenbosch University Institutional Statute and comprised:

- the Rector and Vice-Chancellor, Prof WIS de Villiers (chair):
- the Rectorate, namely:

ProfTE Cloete (Vice-Rector: Research, Innovation and Postgraduate Studies);

Prof HC Klopper (Vice-Rector: Strategy and Internationalisation);

Prof NN Koopman (Vice-Rector: Social Impact, Transformation and Personnel);

Prof A Schoonwinkel (Vice-Rector: Learning and Teaching); and

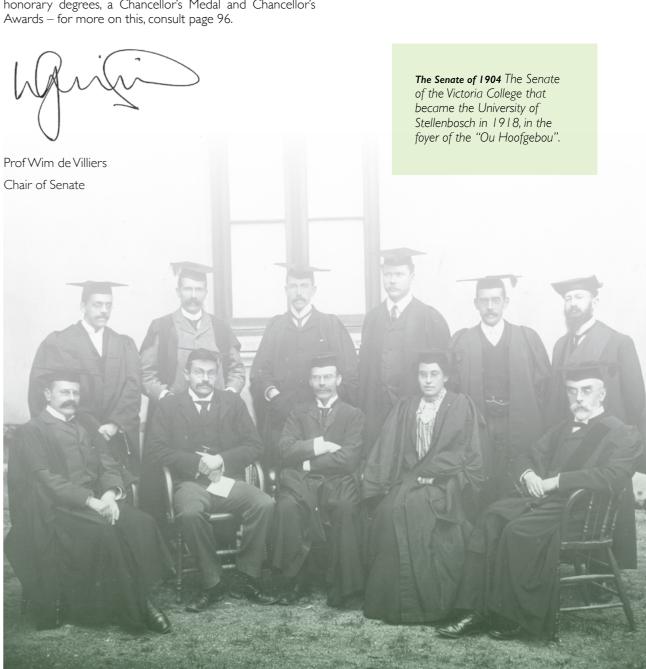
- Prof L van Huyssteen (Chief Operating Officer);
- the Registrar, Dr RR Retief (secretary);
- two members of Council (each for a two-year term), namely Ms G Arangies and Prof PW van der Walt;
- all full professors of the University;
- five associate professors;
- four members of the Student Representative Council;
- two academic staff members who are neither professors nor associate professors;
- two administrative staff members;
- two technical staff members:
- departmental chairs who are not full professors;
- two secundus deans in the Faculty of Military Science; and
- all vice-deans who are not full professors.

Council also declared the following persons to be members of Senate:

- The chief directors of Facilities Management; Finance; Sport; and Strategic Initiatives and Human Resources.
- The senior directors of the Library and Information Service; Information Technology; Innovation and Business Development; Institutional Research and Planning; Corporate Communications; Learning and Teaching Enhancement; the Postgraduate and International Office; Research; Development and Alumni Relations; Social Impact; Student Affairs; and Prospective Students.
- The director of the Centre for Teaching and Learning.

CONTRIBUTION TO VICE-RECTORS' PORTFOLIOS

Senate made a comprehensive and expert contribution to the portfolios of Operations and Finance; Learning and Teaching; Research, Innovation and Postgraduate Studies; Strategy and Internationalisation; and Social Impact, Transformation and Personnel during the reporting year. For more information on these portfolios, please turn to the respective vice-rectors' reports (pages 44 to 69). The University also acknowledges excellence by awarding honorary degrees, a Chancellor's Medal and Chancellor's





Report of the **INSTITUTIONAL FORUM**

The Institutional Forum (IF) is an advisory body that, in terms of section 31(1) of the amended Higher Education Act 101 of 1997, advises the University Council on policy matters, including the implementation of provisions of the aforementioned act and of national policies on higher education.

IF activities consist of meetings to consider advice to Council, as well as opportunities for discussion between the IF executive committee and the Rectorate. From time to time, the IF utilises three task teams on diversity and equity, institutional planning, and institutional culture respectively to finalise its activities more swiftly. Members volunteer to serve on the task team(s) of their choice. The task teams are mandated to properly investigate the matters assigned to them and report back to the IF, which then provides wellconsidered advice to Council. The latest amendments to the Higher Education Act now compel the SU Council to consider the aforementioned advice and, if it is not adopted, to furnish the IF with written reasons for such decision.

COMPOSITION OF THE INSTITUTIONAL FORUM

According to the Statute of the University, the IF consists of 32 members. Eight members are appointed as prescribed from each of the four sectors of governance and management, staff, students and the community. Now that notice has been given of the imminent amendment of the Statute, the composition of the IF will require urgent attention in the course of 2018, also in light of the national trend.

ACTIVITIES

The IF is expected to advise Council on policy documents and to comment on the University management's implementation of the Higher Education Act. To this end, the full IF and its executive committee each meets four times a year. Extraordinary meetings may also be convened on matters of urgency, and one such meeting to discuss the new Admissions Policy indeed took place this past year. At each executive committee meeting, the agenda of the following IF meeting is finalised. The executive committee also endeavours to meet with the Rectorate prior to each IF meeting.

Moreover, the IF continuously seeks to focus on specific matters in addition to its legally prescribed duties and responsibilities so as to provide Council with proactive advice for its consideration and further investigation. The strategic priorities of the University are considered paramount throughout.

Towards the end of May 2017, two members also represented the IF at a meeting of the parliamentary portfolio committee on higher education at short notice.



Dr HP Muller first Chair of the Institutional Mr Le Roux Burrows Forum 1999 Chair: Institutional Forum

TRANSFORMATION ON CAMPUS

The IF remains committed to actively take part in accelerated transformation in order to establish a culture of inclusivity on the University's campuses. In this regard, an IF representative serves on the Transformation Committee, which is chaired by the Vice-Rector (Social Impact, Transformation and Personnel) and reports to the Rectorate.

APPOINTMENT OF SENIOR STAFF

As provided for by the applicable rules, the IF took part in the processes for the appointment of various deans. For this purpose, the IF in each instance elected one member to serve on the respective selection committees.

COMMENT ON PROPOSED POLICIES

University policies on which the IF advised Council by way of formal reports in 2017 included:

- the final Admissions Policy;
- the Policy in respect of Short Courses;
- the Policy on Non-Audit Services; and
- the Policy on Centres, Bureaus and Institutes (CBIs).

The IF supports the overall intentions of the policies above. The Forum proposed technical and editorial amendments to some of the policies, and emphasised the urgent need for training and empowerment to enable effective policy implementation.

In light of the University's Vision 2030, in terms of which the institution seeks to be welcoming and inclusive, the IF will continue to recommend necessary amendments to policies and regulations in order to realise this vision.

LOOKING FORWARD

The IF feels very strongly that the existing codes of conduct for staff and students should continue to receive attention in order to expedite the establishment of an inclusive culture on campus. In this respect, the pursuit of a listening, tolerant culture is particularly important.

In addition, the IF is positive about the constructive discussions that took place regarding the proposed new framework for the appointment of senior staff (post level $|-4\rangle$).

With a view to the future, the IF will continue its normal, legally prescribed activities in 2018, while also actively focusing on encouraging campus discussions on aspects of diversity promotion and transformation. Feedback will be provided to Council by way of formal reports.

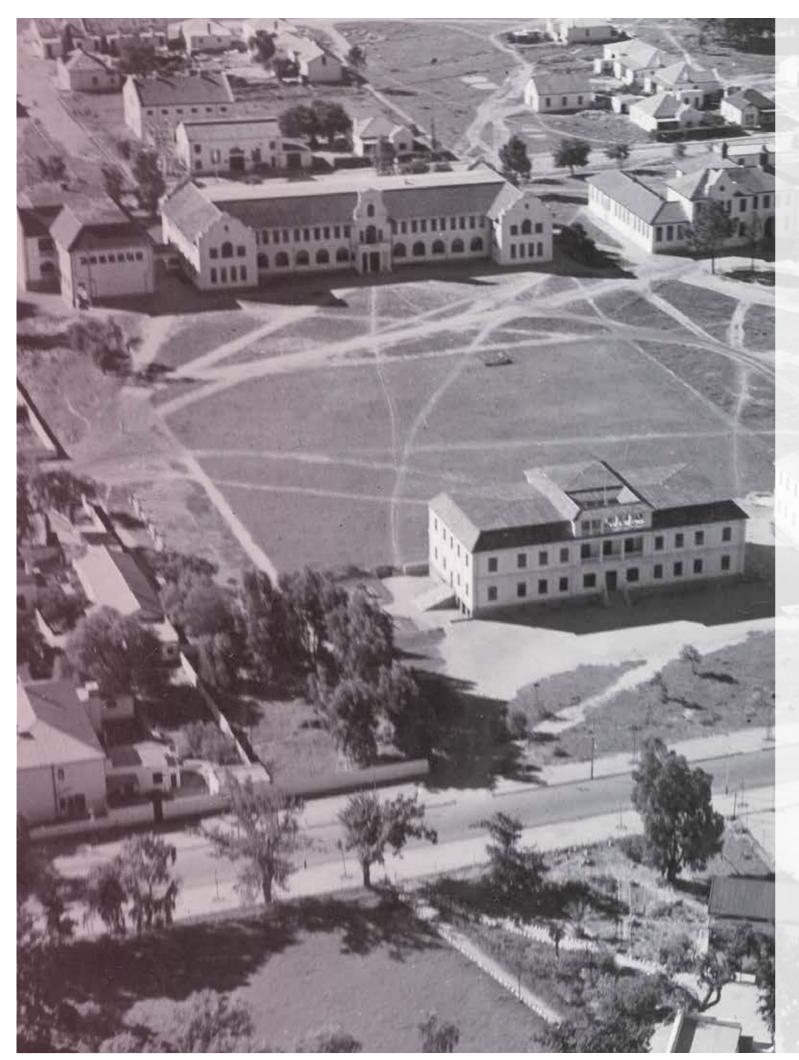
Le R. Burrows

Mr Le Roux Burrows Chair of the Institutional Forum



Some of the first coloured Matie students in 1978 The IF remains committed to actively take part in accelerated transformation in order to establish a culture of inclusivity on the University's campuses.





Our performance against our **STRATEGIC PRIORITIES**

In this chapter, the report of the Rector and Vice-Chancellor presents an overview of the University's performance as measured against its strategic priorities, strategic management indicators and its Council's targets for the year under review. The Chief Operating Officer and the Vice-Rectors report in more detail on how their responsibility centres fared with their strategic goals. The reports provide an outline of how their integrated plans - encapsulating the business plans of the various entities that they manage - contribute to the strategic direction that Stellenbosch University has embarked upon as a 21st century university. The direction is in line with the strategic priorities, themes and objectives as set out in Stellenbosch University Institutional Intent and Strategy 2013-2018 and summarised on page 6 and 7.

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The Rector, Chief Operating Officer and Vice-Rectors are the executive management of the University. They are ex officio members of Senate and of Council. The Registrar is responsible for institutional governance support, legal services and the academic administration of the University. The Rectorate is given here as at 31 December 2017.



The Victoria College Council in 1917 Back row, from left to right: TJ de Waal, FW Roberts, CM Neethling, PD Cluver. Front row, from left to right: JH Neethling, JL Marais, A Moorrees, DS Botha. Absent: DF Malan.



RECTOR AND VICE-CHANCELLOR

Prof Wim de Villiers MB,ChB, MMed (Int), FCP(SA), DPhil, MHCM, DSc hc Joined the University in 2015 with his appointment as Rector and Vice-Chancellor



CHIEF OPERATING OFFICER Prof Leopoldt

van Huyssteen BScAgricHons, MScAgric, PhDAgric

Joined the University in 1999; appointed as Chief Operating Officer in 2013; retired on 31 December 2017

CHIEF OPERATING OFFICER

Prof Stan du Plessis BCom, BComHons, MPhil, PhD

Joined the University in 1999; appointed Chief Operating Officer designate in 2017, assuming position on I January 2018



VICE-RECTOR (STRATEGY AND INTERNATIONALISA-TION)

Prof Hester Klopper BACur, MCur, PhD, MBA, DNurs hc, FAAN, ASSAf

Joined the University in 2016 with her appointment as Vice-Rector (Strategy and Internationalisation)

VICE-RECTOR (SOCIAL IMPACT, TRANSFORMATION AND PERSONNEL)

Prof Nico Koopman BA, BTh, BThHons, MTh, DTh

Joined the University in 2001; appointed as Vice-Rector (Social Impact, Transformation and Personnel) in 2016

VICE-RECTOR (LEARNING AND TEACHING)

Prof Arnold Schoonwinkel BEngHons, MEng, MBA, PhD,

PrEng

Joined the University in 1988; appointed as Vice-Rector (Learning and Teaching) in 2012

VICE-RECTOR (RESEARCH, INNOVATION AND POSTGRADUATE STUDIES)

Prof Eugene Cloete BSc, BScHons, MSc, DSc

Joined the University in 2009; appointed as Vice-Rector (Research and Innovation) in 2012 and portfolio expanded in 2015

REGISTRAR **Dr Ronel Retief** BA, BAHons, MA, DLitt Joined the University

in 1998; appointed as Registrar in 2017

EXECUTIVE MANAGER: RECTORATE Dr Jerome Slamat

BCom, HED, MEd, PhD Joined the University in 2004; appointed as Executive Manager: Rectorate in 2015



Report of the **RECTOR AND VICE-CHANCELLOR**

Ö

Stellenbosch University (SU) was created out of Victoria College by an act of Parliament in 1918. In 2017, on the cusp of our milestone Centenary, we found ourselves ideally placed to reflect on the road travelled thus far, and to advance resolutely on our journey to become the institution we aim to be. At the same time, we remained focused on the present – because the important work of the University continues unabated.

SU has become a leading higher education institution that is making a crucial contribution to human development in our country, on our continent and in the rest of the world. Our graduates are well qualified and internationally sought after, our research is innovative and relevant, and our social impact is extensive.

We can divide SU's activities in 2017 into three main areas: preparing for our Centenary commemoration in 2018, working on a new vision and future strategy to take the University beyond 2018, and solidifying the gains we had made in our core business – particularly research and innovation, learning and teaching, as well as social impact and transformation.

SU's Institutional Intent and Strategy has guided the institution since 2013. This document is 'translated' into an Institutional Plan every year, which in 2017 comprised seven main strategies: to broaden access, sustain momentum on excellence, enhance social impact, expand internationalisation, advance systemic transformation, enhance systemic sustainability and execute the Campus Renewal Project.

In the reporting period, we pursued these strategies in an integrated way across the institution, with management's responsibility centres coordinating the activities of support services and faculties throughout the University so that we could go forward together. This annual integrated report of Stellenbosch University reflects our progress in this regard.

In the following paragraphs, I will highlight significant achievements in pursuit of our seven main strategies in the course of the year in review. For more details, please turn to the rest of the report.

BROADENING ACCESS

The diversity of both our staff and student bodies improved in 2017. Our black African, coloured, Indian and Asian contingent increased to 46,7% of all staff, and 40,1% of all students (see table on page 34). SU is indeed becoming more inclusive. This also applies to gender, with female permanent staff having increased to 57,1% of the total staff corps. In all of these categories, plans are in place to make further progress.

We also celebrated the tenth anniversary of our Disability Unit. In 2017, SU had 349 registered students with disabilities, being those students who identify as having disabilities and have sought support in some or other form. Highlights included seeing ten students who had been assisted by the Braille Unit graduate in December, as well as witnessing nine members of the Maties Parasport Club compete in the World Para Athletics Championships in London, where we won 12 of Team SA's 15 medals.



Prof JJ Smith, first Rector, Prof Wim de Villiers Stellenbosch University 1918 Rector and Vice-Chancellor

SUSTAINING MOMENTUM ON EXCELLENCE

For the 2017 academic year, which included both the December 2017 and March 2018 graduation ceremonies, SU again set new records in terms of the number of qualifications awarded. In total, we conferred 9 032 degrees, diplomas and certificates. These included 1 620 master's degrees and 305 PhDs – both new records – of which 44% and 41% respectively went to black African, coloured, Indian and Asian recipients, demonstrating SU's contribution as a national asset.

In addition, we initiated an annual system of institutional teaching awards to show the same amount of institutional support for excellence in teaching and learning than that normally made available to research and innovation. The awards form part of a range of measures designed to develop a cadre of academics who are able to provide inspiration and leadership in teaching in their disciplines and across the institution. Our student success rate reached an all-time high of 87,1% in 2017.

SU also again attracted top students. An astonishing 46% of the year's cohort of newcomer first-years achieved an aggregate of 80% and above in their National Senior Certificate examination the previous year, and 41% attained an aggregate of between 70% and 79%.

In the fields of research and innovation, we further increased our numbers of postdoctoral fellows, researchers rated by the National Research Foundation, as well as patent applications. Other highlights in 2017 were SU's third satellite being put into orbit, and our Faculty of Medicine and Health Sciences' announcement that a team from SU and Tygerberg Academic Hospital had performed a second penis transplant. This made it the first medical centre in the world to successfully perform this procedure twice, having performed the world's first such transplant in 2014.

ENHANCING SOCIAL IMPACT

As the effect of the drought in the Western Cape worsened during the reporting year, an SU initiative captured the public imagination. Our Faculty of Engineering developed a smart water meter, which was rolled out to a hundred schools, not only helping them save water, but also spreading the conservation message far and wide (see page 85). This was but one example of SU's impact on the broader society. The science-for-society framework has by now become firmly entrenched at SU, without compromising our commitment to basic science.

The values that we aspire to had an equally strong impact on campus. SU regards universities as places of discourse and debate. Therefore, we frequently host events on campus to contribute to the national dialogue on topical social issues. In the reporting period, a number of high-profile speakers at these events emphasised the need to protect South Africa's constitutional democracy, including Prof Homi Bhabha, Ms Judith February, and Judges Albie Sachs and Mahomed Navsa.

EXPANDING INTERNATIONALISATION

Having established a new responsibility centre at top management level catering for internationalisation in 2016, this area received significantly more attention in the year in review. As pointed out by the Vice-Rector (Strategy and Internationalisation), the internationalisation brief is to "bring SU to the world and the world to SU".

We are making good progress in building our reputation – not only in South Africa and on the rest of our continent, but also globally. This is evident from the students we attract, our international partners' willingness to cooperate with us, and the ever-growing number of requests from universities across the world to collaborate with SU.

To move forward in pursuing SU's strategic goal of internationalisation, an Institutional Advisory Committee on Internationalisation was established in 2017. Its purpose is to advise SU International on issues of internationalisation and promote internationalisation at the University.

Despite our global vision, we maintain a particularly strong presence in Africa beyond our own national borders. For instance, we have more than 400 collaborative projects in 42 African countries with more than 600 African collaborators. We also host the secretariat of the NEPAD Southern African Network of Water Centres of Excellence (SANWATCE), participated in pan-African consortia such as PERIPERI-U (building disaster risk capacity) and TRECCAfrica (building skills to combat climate change and resource depletion), and are active in the African Research Universities Alliance (ARUA).

ADVANCING SYSTEMIC TRANSFORMATION

In 2017, important external role-players expressed growing confidence in SU as a transforming institution.

PARLIAMENTARY PORTFOLIO COMMITTEE

In May, we met with Parliament's Portfolio Committee on Higher Education and Training for the third consecutive year. We reported that SU's Transformation Plan had been approved two months earlier. The committee commended SU for the progress made, but also raised critical questions, as it indeed should. Parliament plays a vital oversight role in South Africa's constitutional democracy. SU is a proud public university and is therefore happy to report to the nation in this way. We told the committee that although SU still had some way to go, we were resolute to stay the course, taking all our stakeholders along on our transformation journey.

GENDER COMMISSION

In November, we made a presentation to the Commission for Gender Equality in Johannesburg regarding our progress towards gender equality. We pointed out that 54% of our students and 56% of our staff members were female. Also in terms of qualifications achieved, female students were in the majority. Of all those who achieved SU qualifications in 2016, 56% of undergraduates and 55% of postgraduates were female. In addition, 56% of those living in University housing were women. Gender equality among staff is showing a positive trend, although we acknowledge that women are underrepresented in the academic corps as well as at senior levels, both academic and management. This is receiving attention.

We also told the Commission for Gender Equality about the work of our task team on rape culture, which management had established to investigate the factors underpinning gender violence on campus. The team found that, just as in society at large, gender violence not only violated the victims/ survivors, but affected everyone – staff, students, friends and family of victims/survivors, as well as the perpetrators. Universities' role in addressing gender violence is not only about engaging students while on campus, but also about equipping our graduates to be agents of change in the broader society.

CURRICULUM REVIEW

Institutional programme renewal has been identified as a strategic priority for the Learning and Teaching responsibility centre. The initiative gained momentum in 2017 with a workshop that led to the identification of one programme per faculty for immediate renewal. The Programme Advisory Committee tabled 23 new programme submissions to the authorities for approval, accreditation and registration with a view to introduction in 2019.

The matter of decolonising the curriculum received special attention. A task team produced a report under the auspices of Senate's Committee for Learning and Teaching, and a discussion document was tabled at Council.

The conversation on systemic transformation is set to continue throughout the University, including in faculties and student environments.

ENHANCING OUR SYSTEMIC SUSTAINABILITY

CENTENARY COMMEMORATION

The framework for marking SU's Centenary 2018 was put in place in 2017. We said that we would celebrate great achievements and ground-breaking discoveries at SU over the past 100 years. However, at the same time, the University stated clearly that it acknowledged "its contribution to the injustices of the past" and committed itself to "appropriate rédress and development initiatives¹". We also undertook to honour the critical Matie voices of the past who would not be silenced, despite being ostracised at the time.

Against this backdrop of excellent achievements and valuable lessons from our complex history, the Centenary themed "100 years of learning, growing and moving forward together" signifies a new beginning for SU, being an active and energetic participant in South Africa's journey towards a just society.

INSTITUTIONAL STRATEGY REVIEW

Determining our future direction was an important task in the reporting year, as the existing framework guiding SU, our Institutional Intent and Strategy 2013-2018, will be expiring in our Centenary year. Work on SU's new Vision 2040 and Strategic Framework 2019–2024 started in 2016 already. In 2017, five task teams worked on specific aspects, and various levels of management across the University provided extensive inputs. Staff and students were consulted and Council discussed aspects such as the proposed vision, mission and values of the University.

While the finer details will be hammered out before submitting a final draft to Council, the consensus is that we want to be a relevant university, playing a key role in the development of our nation and continent. We also want to contribute to a society of dignity, healing, justice, freedom and equality for all.

WATER CRISIS

The looming water crisis in the Western Cape also constituted a major component of systemic sustainability in 2017. We crafted a fourfold strategy to ensure the uninterrupted continuation of our academic programme. This entails upgrading existing infrastructure to save and reuse water, unlocking additional sources by way of boreholes and filtration plants, collaborating with the relevant authorities at all levels of government, and engaging staff and students in water-saving efforts through communication drives.

RECYCLING

We are very proud of our recycling statistics. SU recycles around 70% of all general waste from our Stellenbosch, Tygerberg and Bellville Park campuses. This means that less waste ends up at landfills, which turns us into a more communities in town. He later moved to Pretoria, where he environmentally friendly and sustainable institution.

AGREEMENT WITH DEPARTMENT OF DEFENCE

In October, we signed a new memorandum of agreement (MOA) with the National Department of Defence to reinforce our relationship, which dates back to the 1960s. SU is the only university in the country offering military science training. This makes the new MOA vital for the sustainability of not only our Defence Force, but also SU's operations at its Saldanha campus. The intention of the new MOA – which is a revision of the agreement signed in 2012 - is to facilitate a closer working relationship between the two parties.

STAFF CULTURE AND CLIMATE SURVEY

In the year in review, we requested staff members to participate in SU's first institutional culture and climate survey. The response rate was 26%, and the subsequent report provided reliable and verifiable data - both quantitative and gualitative – to serve as a basis for interventions and solutions. Overall, most of the respondents revealed a positive attitude towards the University. They indicated that they were proud of SU's excellence and quality, and that they felt positive about the work environment it offered. The survey also showed that staff were culturally aware and had a generally positive approach to transformation.

However, the survey did identify certain areas of concern. Some respondents were less positive about aspects such as career development, job security, workload and stress factors, salaries and benefits, as well as performance management.

Encouragingly, most staff members who participated expressed their eagerness to help find solutions. There is a common desire to foster a climate of high morale, innovation, and a welcoming and people-centred campus culture. Our objective is to repeat the survey every two years to measure progress and ensure that we are aware of any new areas of concern.

EXECUTING THE CAMPUS RENEWAL PROJECT

Construction of a major new learning centre, which is set to alleviate the shortage of teaching space on Stellenbosch campus and promote student success inclusively and innovatively, commenced in September.

The funders of the building are the Department of Higher Education and Training, the SU Council, the University itself, as well as individual donors. The largest of these is Mr Jannie Mouton, who is an SU alumnus, long-standing donor to the University, as well as founder of the investment company PSG Group. He donated R50 million towards the project in 2016. The name of the new building will honour the memory of his father, Johannes Jacobus Mouton, or Jan Mouton for short.

Like his son, Ian Mouton Snr also studied at SU. The youngest of seven children, he was a first-generation student who, after finishing school, initially worked for four years to earn enough money to pay for his studies. At SU, he obtained the degree BCom in 1941 and a postgraduate gualification in education in 1942. He later became a shopkeeper in Carnarvon, where he also served as mayor for many years, reaching out to various worked in agricultural management. He passed away in 1975.

¹From SU's Strategic Framework for the turn of the Century and Beyond, adopted by Council on 20 March 2000.

MOVING FORWARD

Overall, 2017 was a very successful academic year for SU.We The University is increasingly seen as an institution with enormous potential for facilitating transformation and having a continued to go from strength to strength in terms of student meaningful social impact. I am honoured to lead the University success rates and research outputs, despite a tight budget. into its Centenary year, and I give credit to all our hardworking The institution that achieved formal university status in 1918 staff and students for our many achievements.

has grown into a reputable and consequential university in South Africa, serving an ever-broader section of the population. SU has done well to position itself as a globally competitive, locally relevant institution.

MINISTEDIAL ENDOLMENT AND EFECTIVENESS TARCETS FOR 2010 AND STELLENBOSCH

	Ministerial Target	SU in 2015	SU in 2016	SU in 2017
Head count	27 510 in 2012 to increase to 30 809 in 2019, annual increase of 1,6% between 2012 and 2019	29 613	30 60	31114
Full-time equivalent students	22 193 in 2012 to increase to 25 330 in 2019	23 128	23 745	24 311
Funded teaching input unit (weighted full-time equivalent)	77 965 in 2021/22 (the funded teaching input share will change from 5,38% in 2015/16 to 5,33% in 2021/22)	73 615	75 005	79 828
First-time entering first-years	5 230 in 2019, average annual increase of 4,1% from 3 936 in 2012	5 285	5 025	5 200
		Majo	or fields o	f study %
Science, engineering and technology	52% in 2019	48,7	48,3	48,5
Business and management	22% in 2019	21,1	21,6	21,7
Education	5% in 2019	5,3	4,4	4,3
Humanities	21% in 2019	24,9	25,7	25,5
			Levels o	f study %
Undergraduate	63% in 2019	62,5	63,3	62,4
Postgraduate below master's	12,9% in 2019	12,8	12,3	12,8
Master's	16,6% in 2019	16,6	16,3	15,9
Doctoral	4,7% in 2019	5,2	5,2	5,4
Occasional students	2,8% in 2019	2,9	2,8	3,5
Total graduates	To increase from 7 681 in 2012 to 8 130 in 2019	7 816	8 208	8 932
		Gradua	ates in sca	rce skills
Engineering	455 in 2019	507	525	541
Life and physical sciences	404 in 2019	444	488	474
Animal and human health sciences	438 in 2019	403	408	413
Initial teacher education	355 in 2019	428	336	328
		Graduates	s at differe	ent levels
Postgraduate below master's	2 706 in 2019	2 629	2 554	2 691
Research master's	867 in 2019	927	877	928
Doctoral	231 in 2019	267	278	305
Targeted success rate %	84% in 2019	86,7	85.9	87,1

INTERPRETATION OF COMPARATIVE ENROLMENT AND EFFECTIVENESS VALUES AND THE MINISTERIAL TARGETS FOR 2019

The table above shows how Stellenbosch University fared in 2015, 2016 and 2017, measured against the enrolment and effectiveness targets set by the Minister of Higher Education and Training for the University for 2019. These statistics are extracted annually from the Higher Education Management Information System (HEMIS) and submitted to the Department of Higher Education and Training, who compares the performance of universities in South Africa. Stellenbosch University's success rate performance of 87,1% for 2017 exceeds the Minister's target of 84%.

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MONITORING ON THE WAY FORWARD - STRATEGIC MANAGEMENT INDICATORS

The Institutional Plan contains key overarching strategic management indicators (SMIs) with which we measure how we are faring in the realisation of our institutional goals. For each of our Institutional Intent and Strategy's priorities, themes and goals, we describe specific strategic actions that are stipulated by each faculty and professional service individually. The complete details are contained in the separate plans of each responsibility centre. In these plans the faculties and professional service divisions indicate how they will achieve the goals of the institution by way of their action plans. All faculties and professional services are jointly responsible for achieving the targets in the Institutional Plan and therefore work in an integrated manner according to our business model.

					7				
	FEGIC MANAGEMENT INDICATO	ORS							
Strategic Priority	Strategic Management Indicator	2011	2012	2013	2014	2015	2016	2017	2023 Target
Broaden access	Share of students from black Af- rican, coloured, Indian and Asian population groups (%)	32,9	33,1	34,6	36,6	37,8	38,7	40,I	47,5
	Share of permanent staff from black African, coloured, Indian and Asian population groups (%)	40,0	41,0	43,0	43,2	43,8	45,6	46,7	55,0
pader	Share of female permanent staff (%)	53,5	54,0	54,9	55,9	56,0	56,6	57,1	60,0
Bro	Share of undergraduate module credits taught in Afrikaans and English to PARALLEL class groups (%)				l 6,6	15,4	17,5	20,9	25,0
Sustain momentum of excellence	Share of undergraduate module credits taught in BOTH Afrikaans and English to the SAME class group (%)				62,9	69,5	69,5	64,6	60,0
	Share of undergraduate module credits taught in EITHER Afrikaans OR English to a class group (%)				20,4	15,1	13,0	14,5	15,0
entur	Permanent teaching and research staff with doctorates (%)	60,5	61,3	60,8	61,8	60,6	60,3	60,2	65,0
in mome	Ratio of weighted research outputs per full-time equivalent teaching and research staff member	1,83	2,41	2,33	2,50	2,53	2,64	*	2,44
Sust	HEMIS-based success rate of undergraduate and postgraduate students (%)	83,4	84,9	85,9	85, I	86,7	85,9	87,1	85,5
cial impact	Ratio of full-time equivalent students, weighted by level of study, per full-time equivalent teaching and research staff member	25,39	25,85	24,57	25,44	26,16	25,9	*	24,00
	Third-stream income share of SU's total income (%)	28,0	29,4	27,7	31,4	26,4	30, I	28,7	32,3
ance	Fourth-stream income share of SU's total income (%)	6,5	5,9	5,6	5,2	5,4	7,3	4,9	10,0
Enhai	Share of personnel remuneration not funded via the main budget** (%)	36,4	36,6	38,1	35,9	40,8	41,7	41,8	45,0

INTERPRETATION OF THE STRATEGIC MANAGEMENT INDICATORS IN THE TABLE

Our strategic management indicators (SMIs) determine to what extent the University realises its strategic priorities, themes and goals, as defined in the Institutional Intent and Strategy 2013–2018 (see pages 6 and 7), during a given year.

We have progressed steadily with broadening access to the University. The wider implementation of parallelmedium instruction and language interpreting together with purposeful marketing and recruitment contributed towards the 2,3% rise in student diversity to 40,1% over the past three years (2015-2017).

Staff diversity (46,7% in 2017) has improved systematically, indicating that, despite the challenges, the University's efforts are bearing fruit (see "Building a diverse and transformation-oriented staff" on page 67). Female permanent staff has again increased slightly to 57,1%, although equitable representation at executive management and senior academic levels has not been realised yet.

The University is working hard to sustain its momentum of excellence. The University's capacity to offer postgraduate supervision and to generate publishable research results depends mainly on academic staff having doctoral qualifications. After dropping to 57% in 2010, the percentage of academic staff with doctorates increased to an all-time high of 61,8% in 2014, but systematically

* 2017 results will be reported in 2018.

** Funds consist of restricted and unrestricted funds. The difference between future restricted and unrestricted funds may affect the feasibility of the 2023 target. See "Available funds" on page 42. For definitions of the indicators, see the Glossary under "Strategic management indicators explained", page 147.

sank back to 60,2% in 2017 due to academic staff retiring and the appointment of younger staff members to ensure sustainability. In 2016 – the most recently released data - each full-time equivalent teaching and research staff member produced an average of 2,64 weighted research outputs (accredited publications and master's and doctoral graduates), exceeding the previous best of 2,53 in 2015.

The success rate of our students, in other words, the percentage of full-time equivalent students who passed the modules for which they had registered, was 87,1% in 2017, a new record and exceeding our target of 85,5% (see "Student access with success" in the report of the Vice-Rector (Learning and Teaching) on page 49).

Growing into its role as a responsible corporate citizen, the University enhances its impact on society through integrated planning for financial and environmental sustainability. With an average of 25,9 weighted full-time students serviced by each full-time permanent research and teaching staff member, the University is still under pressure to maintain a healthy long-run balance between cost-effectiveness and a positive student experience. To keep student fees as low as possible and to be able to offer bursaries to more students, the University managed to increase its income from sources other than the state subsidy, for example income from contract research, investment and commercialisation (28,7% of our income) and from philanthropic donations (4,9% of our income). The percentage of staff remuneration from these sources was 41,8% in 2017, compared to 35,9% in 2014, demonstrating that the University increasingly tries to lessen its reliance on state subsidies and student fees.

Prof Wim de Villiers Rector and Vice-chancellor

Overview of our FINANCIAL CAPITAL

Stellenbosch University (SU) is committed to the long-term financial sustainability of the institution. To this end, financial planning is directed by a management mandate over six years. Since 2013, the systemic emphasis has been falling on the Institutional Intent and Strategy for 2013 to 2018, but that is drawing to an end soon and will be reviewed in 2018. The adjusted strategies will subsequently direct our financial planning and the allocation of resources. Financial sustainability remains a core objective in our pursuit of a flourishing institution.

2017 BUDGET AND REVIEW

The University was able to end the 2017 financial year successfully despite various financial challenges.

Following the Minister of Higher Education and Training's announcement of 19 September 2016 on student fee adjustments, the SU budget was finalised with due allowance for an 8% adjustment in student fees and a 10% adjustment in accommodation fees. Owing to continued savings on certain institutional costs (mainly utility services and banking fees), an amount in excess of R10 million could be cut across the budget. Although additional costs for viable contracting amounting to some R8 million on the main budget and R10 million on the accommodation budget had been included in the respective budgets, the various environments were able to absorb these in the main budget through existing grants. These interventions resulted in a balanced main budget for 2017. However, no additional strategic demands could be accommodated.

SU's 2017 budget, as approved by the SU Council on 28 November 2016, was financially unsustainable, with the budgets as from 2019 (drawn up for planning purposes) showing deficits. Therefore, SU had to consider actively which actions could be dispensed with or changed, as the University's financial sustainability was at a crossroads, with certain environments even seeming to be at a critical juncture. Certain interventions had been made in 2017 - some of which had a carry-through effect. Among the actions introduced in 2017 were the establishment of several task teams for investigating various institutional aspects. The outcomes and recommendations of three of these, namely the Budget Task Team, the Bursary and Loans Task Team and the Indirect Cost Recovery Rate Task Team, had a direct impact on the SU budget. Although the task teams have not yet fulfilled their mandate, certain decisions already affected the 2018 budget, such as:

- introducing differentiated student fee adjustments for new students;
- introducing an international tuition fee;
- making further cuts to certain institutional costs;
- budgeting for a higher, effective indirect recovery rate across all contracts:
- linking income from other income streams (such as bursary income) to the main budget; and
- reducing the Strategic Fund in the short term in order to balance the main budget.

Following these actions, a break-even budget for 2018, as well as a five-year planning horizon up to 2023 could be presented to the SU Council for approval on 28 November 2017.



Registrar: Financial who, since 1970, worked out the budget with the then Rector

Mr Manie Lombard Prof Jannie de Villiers Chief Director: Finance

The burden on the first and second income streams, along with pressure on other income streams, bring even more pressure to bear on the University's expenditure and the sustainable funding thereof. In the next few years, the University will have to examine - both institutionally and at faculty level - which expenditures support SU's core business and strategies, and which the University may need to terminate. On the other hand, this presents opportunities for growing other income streams, especially with regard to the fifth income stream, namely income from commercial activities and innovation. This also includes optimal exploitation of the University's assets.

OTHER DEVELOPMENTS AND **UNCERTAINTIES**

SUBSIDY FORMULA

Although the proposed adjustments to the subsidy formula have been in the pipeline for some time, the publishing of a draft discussion document has been postponed indefinitely following the 2015 protests. On 11 and 12 May 2017, the Department of Higher Education and Training (DHET) presented a workshop attended by representatives from all universities. The session was part of the Department's consultation process on the proposed adjustments. The Department confirmed that the proposed adjustments would not imply any additional funds for the sector, but would merely be a redistribution of the existing subsidy allocation. Moreover, the DHET did not foresee that the redistribution would substantially change each institution's subsidy allocation. Even so, based on the contents of the draft document, SU's preliminary modelling of the possible effect on the University's subsidy income, shows a substantial financial risk. Resulting from adjustments to the various categories and the revised weights of units for postgraduate studies, SU anticipates a

decrease of our subsidy allocation of between R100 million and RI50 million per annum. We have forwarded our feedback to the DHET, including a request for the data used in the Department's calculations, but to date have had no response.

The Department confirmed that the revision of the subsidy formula took place independently from the activities of the presidential commission, and that no feedback had been taken into account in the modelling process. Moreover, there were some uncertainties as to how the carry-through effect of the gap funding and the latest announcement about free education for students whose parents earn less than R350 000 would be funded. Proposals had been made to manage this simply as part of the block allocation.

FREE HIGHER EDUCATION FOR POOR AND WORKING-CLASS STUDENTS

The report on the activities of the presidential commission, compiled on 14 January 2016, was issued on 13 November 2017 by former President Jacob Zuma. However, the report was issued without any recommendations or clear steps on the way forward. The sector issued a response to this via USAf (Universities South Africa).

On 16 December 2017, former President Zuma announced fully subsidised free higher education and training for poor and working-class students. The definition of 'working-class students' was extended to households with a combined annual income of R350 000 or less. This will be phased in as from 2018 for students who enrol for the first time at a public university.

The timing of the announcement, as well as uncertainties concerning the roll-out and implementation thereof, brought considerable pressure to bear on universities during the 2018 registration period.

In his budget speech on 22 February 2018, the former Minister of Finance indicated that the presidential announcement would be honoured, but that the issue of funding had to be investigated and cleared up forthwith. Clearly, the implementation and funding of these decisions are clothed in substantial uncertainty.

Discussions and proposals that followed the announcement on 16 December 2017 appear to indicate that student fees could be regulated in future. However, no particulars about that are available yet.

STUDENT FEES AND GAP FUNDING

Minister Nzimande in his announcement on 19 September 2016, offered additional financial aid to impoverished students in the form of a so-called gap allocation. The intention of this kind of funding is to offer relief to the "missing middle" category of students. Students from households with a combined income of less than R122 000 per annum continue to gualify for full financial aid from the National Financial Aid Scheme for Students (NSFAS). This new funding will allow all students from households with a combined income of less than R600 000 per annum to qualify for financial support. Qualifying students will receive funding, which effectively means no fee increase for 2017 and 2018.

Students who received the 8% gap funding in 2017 will continue to receive the rebate in 2018 without having to apply for this funding again. However, there is some uncertainty about the funding of the carry-through effect; whether it could be sustained.

ADJUSTMENT OF VAT RATE

A further risk arising from the announcement of the new VAT rate that is effective as from 1 April 2018 is that universities cannot claim any input VAT on expenditure that relates to academic activities. SU's cost base will accordingly increase by 1% as of 1 April 2018, which involves a huge risk, as the subsidy formula does not provide for additional revenue to cover the increase. In the same way, over the past few years restrictions have been placed on the increase in student fees at a rate below the sectoral Consumer Price Index (CPI) (called the Higher Education Price Index - or HEPI - which is about 1,7% higher than the CPI).

FINANCIAL RESULTS

The 2017 reporting year was characterised mainly by:

- a 10,7% increase in total income; i.e. R5 877 million (2016: R5 311 million);
- a 3,7% decrease in income from grants and contracts; i.e. R1 166 million (2016: R1 210 million);
- a 131,9% increase in realised profit on investments; i.e. R758 million (2016: R327 million);
- an 8.9% increase in recurring expenditures; i.e. R4 976 million (2016: R4 571 million);
- a total surplus of R902,0 million (2016: R740,8 million); however, if investment income and realised profit on investments are excluded – as they should be excluded for budgeting purposes, because the possibility of the performance being repeated cannot be guaranteed - the 2017 budget shows a shortfall of R200 million (compared to a surplus of R95,5 million in 2016); and
- a surplus of R20,7 million (2016: R46,1 million) on the main budget; i.e. the University's academic business as funded by state subsidy and student fees (the main components of which are set out below).

Of the abovementioned surplus of R902,0 million, R615,6 million is attributable to restricted funds over which Council has no discretion. The balance of the surplus – R286,4 million - lies in unrestricted Council funds and can be attributed to the following, among other things:

- actual expenditure, e.g. for utility services, banking fees, postage and insurance that prove to be less than the budgeted expenditure in the main budget (RI3,4 million);
- actual recovery of effective indirect costs of R6,1 million more than the budgeted amount;
- factors such as higher than budgeted income from interest and realised profit on the sale of investments totalling R472.8 million: and
- conservative spending with respect to operating expenditure as a result of uncertainty over long-term income expectations for the University, seeing that the subsidy formula for higher education institutions is under review

The factors that contributed to the 2017 financial results include also the following:

- conservative, integrated budget planning within a rolling six-year financial plan, including a contingency reserve with a view to managing unforeseen events;
- continuous redesigning and aligning of operating processes to ensure greater cost-efficiency; and
- making strategic funds available to support new initiatives directed at realising the University's vision and objectives.

The said financial successes offer a solid base for continued proactive financial planning and for refining the financial model that would serve the University's strategic objectives and focus areas.

REPORTING STANDARDS

The consolidated annual financial statements for the year ended 31 December 2017 were prepared in accordance with the Regulations for Annual Reporting by Higher Education Institutions. In terms of Section 41(2) of the Higher Education Act 101 of 1997 (as amended up to and including the Regulations for Annual Reporting by Higher Education Institutions dated 9 June 2014), universities are required to submit annual financial statements to the DHET that comply with International Financial Reporting Standards (IFRS). The University had elected to apply IFRS even before the new regulations were published with 1 January 2004 as transitional date.

In terms of Section 4(3)(b) of the Public Audit Act 25 of 2004, the Auditor-General can audit any institution that receives public funding. The Auditor-General has, however, elected not to audit Stellenbosch University personally.

Instead, the University's appointed external auditor, PricewaterhouseCoopers Inc, was issued with specific additional instructions that must carried out. These additional instructions include the auditing of compliance legislation applicable to financial matters, financial management and other related matters, as well as the auditing of performance against predetermined objectives agreed upon by the University and the Minister of Higher Education and Training. For the year under review, the table on page 33 indicating the ministerial enrolment targets, were the only objective included in the agreement with the Minister of Higher Education and Training.

INCOME

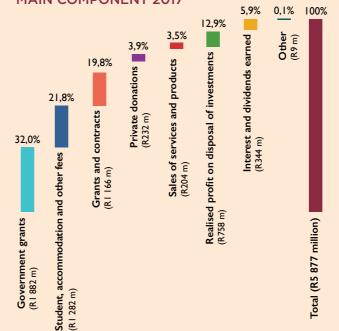
Table I below comprises the composition of the University's income per main component, expressed as a value as well as a ratio, with comparative figures for previous years.

As is shown in Table 1, the total income increased by 10,7% (2016: 5,5%) to R5 877 million (2016: R5 311 million).

Figure 1 shows the composition of the University's income per main component, as well as the relative ratio to total income.

Table I GROWTH AND COMPOSITION OF INCOME, TOTAL AND PER MAIN COMPONENT, 2013–2017										
		2013	2014	Increase / (Decrease) 2013/2014 %	2015	Increase / (Decrease) 2014/2015 %	2016	Increase / (Decrease) 2015/2016 %	2017	Increase / (Decrease) 2016/2017 %
Total recurring income, of which:	Rm	3 849	5 140	33,6	5 033	(2,1)	5 311	5,5	5 877	10,7
Government grants	Rm	I 355	I 552	14,6	I 576	I,5	I 788	13,5	I 882	5,3
% of income	%	35,2	30,2		31,3		33,7		32,0	
Student, accommodation and other fees	Rm	986	1 074	9,0	233	14,8	30	(8,4)	282	13,5
% of income	%	25,6	20,9		24,5		21,3		21,8	
Grants and income	Rm	690	869	25,9	910	4,8	1210	33,0	66	(3,7)
% of income	%	17,9	16,9		8,		22,8		19,8	
Private donations	Rm	185	206	11,5	215	4,4	338	57,2	232	(31,6)
% of income	%	4,8	4,0		4,3		6,4		3,9	
Sales of services and products	Rm	79	193	144,3	182	(5,6)	191	4,7	204	7,0
% of income	%	2, I	3,8		3,6		3,6		3,5	
Realised profit on dis- posal of investments	Rm	303	947	212,5	546	(42,4)	327	(40,1)	758	131,9
% of income	%	7,9	18,4		10,8		6,2		12,9	
Interest and dividends earned	Rm	237	289	22,1	348	20, I	318	(8,5)	344	8,2
% of income	%	6,2	5,6		6,9		6,0		5,9	
Other	Rm	14	10	(32,5)	23	144,0	9	(61,6)	9	2,7
% of income	%	0,4	0,2		0,6		0,3		0, I	

FIGURE 1: INCOME PER MAIN COMPONENT 2017



Government grants increased by 5,3% (2016: 13,5%, including the financial injection from the state).

Government grants consist of unearmarked subsidy income and earmarked grants, where the unearmarked subsidy income is earned based on a calculation according to the DHET's formula. This formula is being reviewed, and the impact that the amended subsidy formula will have on the University's income remains uncertain. The unearmarked subsidy income is brought into account in the income for the University's main budget. Government grants also include grants from related government institutions such as the National Research Foundation (NRF).

SU received a contribution of R79,2 million from the DHET for the budgeted deficit for 2016 (R113,5 million), which had resulted from the 0% increase in study and accommodation fees. The amount was divided internally according to the same ratio as the corresponding deficits; i.e. R59,7 million to the main budget for deficits relating to student fees, and R19,6 million to the accommodation budget for deficits in that respect. However, this was a once-off grant, so it was included under government grants in 2016. Consequently, the accommodation budget also showed government income, whereas it had never received state subsidies before, seeing that it was a self-sustaining budget, which had to be funded from accommodation fees charged to students.

A once-off, additional earmarked government grant of R300 million was added to the subsidy allocation for the 2016/2017 financial year as a result of the 0% increase in 2016. As regards the additional earmarked government grant, SU received R1,1 million (2017) and R0,516 million (2018) for the phasing out of the 0% increase in 2016. The impact of this was set off in the 2017 annual statements and included in government grants, as the carry-through effect of the bailout was simply added to block allocations for universities from 2017.

Income from student and other¹ fees increased by 13,5% (2016: a decrease of 8,4%).

On 19 September 2016, Minister Nzimande made the A number of major multi-year research contracts expired

¹Other fees include accommodation and membership fees, as well as other items which can be levied against student accounts, as approved by the Student Fee Committee.

announcement regarding the student fee adjustments for 2017. SU responded to the announcement as follows:

- The proposed increase in student fees was limited to the 8% agreed upon by the sector. The 8% increase had been applied based on the 2015 budget, as there was no increase in 2016.
- The US Business School (USB) had requested a 10% increase, since the #FeesMustFall protests were not directed towards business schools and since their tariffs would be substantially lower than those of their competitors. The request was approved.

The additional increase is the result of the USB increase of 10% (i.e. approximately R500 000), as well as an increased total number of students, i.e. 2% more undergraduates (471 students) and 8% more postgraduates (814 students). The increases are, however, in line with enrolment planning and puts SU within the enrolment targets agreed on with the DHET.

The 0% announcement on 23 October 2015 also applied to accommodation fees for 2016 (in 2015, SU implemented a 10,7% increase in accommodation fees). For 2017, a 10% increase was approved for accommodation fees. This represents the real cost of accommodation (which constitutes a separate budget that needs to be self-sustaining). The higher increase (two percentage points more than 8%) is a direct result of decisions on viable sourcing that were made towards the end of 2015 in response to the student protests.

Another reason for the additional increase is the extended capacity (220 beds in a new residence at Tygerberg) in 2017, as well as empty beds in 2016 (i.e. occupation factor below 100%), which was corrected in 2017.

The increase in student and other income¹ goes hand in hand with increased provisioning for irrecoverable student fees. It remains a challenge to collect student debts in good time. This pressure increased towards the end of 2015 on account of the #FeesMustFall protests and the subsequent announcements and expectations concerning free higher education. Students tend, at any rate, to postpone the settlement of outstanding debts until the registration for the next year. The outstanding fees from NSFAS for 2017 (approximately R42 million) is another reason for the significant increase in the deficit at year end.

SU has established certain measures to manage outstanding student fees, including the following: Students with debts owing may not, among other things, register for a next year of study unless they have a bursary that covers the outstanding amount and the first instalment. In addition, special arrangements can be made to pay off the first instalment. Students also do not receive their degree certificates before outstanding study fees have been paid. The University's establishing of a Collection Office in 2013 is already paying dividends, together with improved control over methods to avoid prescription of debt.

The University does not have sufficient space to grow student numbers substantially, except in Mode 2, which is a combination of face-to-face contact sessions, telematic broadcasting and electronic learning.

Grants and contracts decreased by 3,7% (increased by 33% in 2016) to R1 166 million (2016: R1 210 million).

in 2017. The sale of the leasing rights to Academia in 2016 resulted in a once-off income of R22 million in 2016.

Given the uncertainties regarding unearmarked subsidy income, it is important that the income streams in respect of grants, contracts and donations, as well as the exploitation of commercial revenues, should contribute more to the University's total income over time. The diversification of the historic funding sources, particularly international sources, is receiving close attention. The recovery of support and institutional costs from third- and fifth-stream income activities by means of the indirect cost recovery rate is bringing relief to the main budget and has realised fair surpluses against budget this year (the result of a higher effective recovery rate). The restrictions imposed by funders on the recovery of costs causes under-recovery of these costs, which continues to pose a challenge.

Revenue from private donations decreased by 31,6% (2016: increased be 57,2%), from R338 million to R232 million.

2016 was an exceptional year with major once-off donations, including two donations to the value of R80 million. However, the exceptional growth experienced in 2016 has evened out to more realistic levels. In the past few years, this income stream has been made a focus point, which proved to be successful. However, most funding is received for restricted usage. The challenge remains to collect unrestricted donations, which can bring relief as regards the University's main budget activities.

Profit realised on disposal of investments increased by 131,9% (2016: decreased by 40,1%) to R758 million (2016: R327 million). The increase may be attributed to the additional investment strategy of the Investment Committee of Council, namely to transfer funds from balanced portfolios to long-term portfolios, with specialist mandates for international investments. In addition, funds were transferred to a new medium-term portfolio to manage the market risk of funding the financing deficit on the Campus Renewal Plan over the next 10 years. The profit realised through these transfers will be recapitalised until cash flow is required for project planning under the Campus Renewal Plan.

In 2005, SU also received a bequest that was subject to usufruct. With the expiry of the usufruct in 2017, the share portfolio was realised at a profit of R239 million, and the profit was subsequently capitalised.

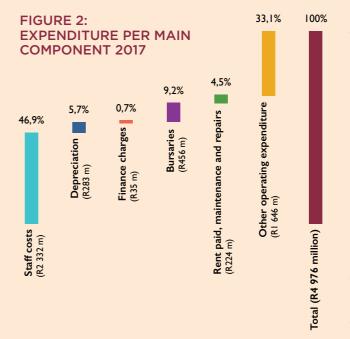
EXPENDITURE

Table 2 shows the composition of the University's expenditure per main component, expressed as a value and as a ratio, along with comparative figures for previous years.

Figure 2 shows the composition of the University's expenditure per main component.

The total expenditure for 2017 increased by 8,9% (2016: 12,5%) to R4 976 million (2016: R4 571 million), compared to the annual average inflation rate of 5,3% for 2017. If the

Table 2 GROWTH AND COMPOSITION OF EXPENDITURE, 2013–2017											
		2013	Increase / (Decrease) 2012/ 2013 %	2014	Increase / (Decrease) 2013/ 2014 %	2015	Increase / (Decrease) 2014/ 2015 %	2016	Increase / (Decrease) 2015/ 2016 %	2017	Increase / (Decrease) 2016/ 2017 %
Total expenditure of recurring nature, of which:	Rm	3 321	7,5	3 653	10,0	4 063	11,2	4 571	12,5	4 976	8,9
Staff costs		I 602	10,1	I 730	8,0	1 939	2,	2 172	l 2,0	2 332	7,3
% of expenditure	%	48,2		47,3		47,7		47,5		46,9	
Depreciation	Rm	222	11,0	241	8,6	252	4,7	288	4,	283	(1,5)
% of expenditure	%	6,7		6,6		6,2		6,3		5,7	
Finance charges	Rm	13	(7,1)	23	75,7	17	(24,6)	18	(4,7)	35	93,7
% of expenditure	%	0,4		0,6		0,4		0,4		0,7	
Bursaries (net)	Rm	316	17,0	338	7,0	403	19,1	442	9,7	456	3,2
% of expenditure	%	9,5		9,3		9,9		9,7		9,2	
Rent paid, maintenance and repairs	Rm	129	4,9	147	4,	212	44,1	212	(0,2)	224	5,8
% of expenditure	%	3,9		4,0		5,2		4,6		4,5	
Other operating expenditure	Rm	1 039	١,١	175	13,0	240	5,6	439	6,	I 646	14,4
% of expenditure	%	31,3		32,2		30,5		31,5		33,1	



decreased value of investments, which amounted to RI35,7 million in 2017, is disregarded, total expenditure increased by 5,9%. The University's continued improvement of budget and operating processes is aimed at greater cost efficiency and improved service delivery. As mentioned earlier, SU's 2017 budget was an unsustainable budget towards the end of the six-year planning horizon. Certain interventions were done in 2017 as regards budget allocations and spending in specific categories of institutional expenditure, resulting in expenditure levelling off.

Table 3 GROWTH AND COMPOSITION OF BURSARIES, 2013–2017											
		2013	Increase / (Decrease) 2012/2013 %	2014	Increase / (Decrease) 2013/2014 %	2015	Increase / (Decrease) 2014/2015 %	2016	Increase / (Decrease) 2015/2016 %	2017	Increase / (Decrease) 2016/2017 %
Total expenditure of recurring nature, of which:	Rm	3 321		3 653		4 063		4 571		4 976	
Bursaries paid		531	10	588	П	659	12	725	10	767	6
% of expenditure	%	16,0		6,		16,2		15,9		15,4	
Principal	Rm	316	17	338	7	403	19	442	10	456	3,2
Agent		215	١,6	250	16,3	256	2,3	283	10,4	298	5,6
Gap funding		-		-		-		-		13	

Furthermore, a large component of expenditure is linked to direct spending on research contracts, which means such expenditure will fluctuate in line with the related income. The particular income category showed a year-on-year decrease from 2016.

Significant additional expenditure (R37,1 million) was incurred in 2016 for additional security following the student protests. Spending in that regard was substantially lower (R2,8 million) for 2017.

The increase in staff costs of 7,3% may be attributed to, among other things, a general salary adjustment of 6% in 2017 for all qualifying staff (the average increase in employment costs was 6,44%). There was no adjustment between 2016 and 2017 in base remuneration levels. Moreover, the number of non-permanent staff members increased (99 staff members year on year).

The University makes a large contribution to bursaries from the main budget annually. For 2017, this amounted to R129,0 million (2016: R119,7 million), and the spending thereof is included in bursaries where SU acts as principal. In 2013, the Council also made R25 million from discretionary funds available over five years, from 2014 to 2018, for granting recruitment bursaries. Of all students at the University, 23% receive bursaries that cover on average 67% of their debt.

During 2017, students received gap funding from the DHET to offset the 8% increase in study and accommodation fees. In line with government's proposed additional financial aid for "the missing middle" students, Management decided to award a 2% bursary to students qualifying for SU accommodation (to provide for the difference between SU's 10% increase in student fees and the DHET bursary. which provides for only 8%). Therefore, residential students will effectively experience no increase for 2017.

The growth and composition of bursaries are shown in Table 3.

AVAILABLE FUNDS

Stellenbosch University places a high premium on sound corporate and financial management and does everything in its power to ensure that finances are managed in a transparent manner. Part of sound financial management is to manage responsible levels of reserve funds with a view to long-term systemic sustainability (which includes that academic quality be maintained throughout). However, contrary to public perception, reserve funds are not a lump sum put aside to earn interest, but take the form of funds intended for various environments to be used only according to specific guidelines and conditions.

Funds comprise restricted and unrestricted funds. Restricted funds, which amount to R9,562 billion, consist of operational funds (received for, among other things, long-term external contracts with the industry), loans (student loans, which are channelled back into further student support), donations (subject to conditions offset by donors) and fixed-asset funds with specific conditions for application (e.g. to develop

facilities) and are not available to Council for discretionary use. These funds can be used in accordance with the relevant provisions only.

Unrestricted funds may be used at Council's discretion. Such funds amount to R1,223 billion (2016: R1,161 billion), and are further divided into funds earmarked for specific purposes. Examples of earmarked funds include the University's Insurance Reserve Fund (which is subject to separate regulations determining how it may be applied), the University's Strategic Fund, and the balance of funds from environments earmarked for strategic and operating objectives according to approved environment plans. The balance of R571 million (2016: R459 million) is available for discretionary use by Council. This amounts to 9,7% of SU's total annual revenue, representing only one month's income, which is a very low level of contingency (compared to the international standard of three months).

Table 4 shows the growth in available funds and long-term investments over the past five years.

1 40				
AVA	AILABLE FUNDS AND	LONG-TERM II	NVESTMENTS.	2013-2

		2013	Increase / (De- crease) 2012/ 2013 %	2014	Increase / (De- crease) 2013/ 2014 %	2015	Increase / (De- crease) 2014/ 2015 %	2016	Increase / (De- crease) 2015/ 2016 %	2017	Increase / (De- crease) 2016/ 2017 %
Available funds, of which:	Rm	9 639	8,2	10 636	15,5	11 824	10,3	12 254	3,6	13 338	8,8
Long-term investments		6 067	41,2	6 631	23,1	7 684	9,3	7 893	2,7	8 889	12,6
% of available funds	%	62,9		62,3		65,0		64,4		66,6	

COMPOSITION OF AVAILABLE FUNDS 2013-2017

COMPOSITION OF AVAILABLE FUNDS, 2013–2017											
		2013	Increase / (De- crease) 2012/ 2013 %	2014	Increase / (De- crease) 2013/ 2014 %	2015	Increase / (De- crease) 2014/ 2015 %	2016	Increase / (De- crease) 2015/ 2016 %	2017	Increase / (De- crease) 2016/ 2017 %
Total income	Rm	3 849		5 40		5 033		5311		5 877	
Restricted funds		5 856	18,0	6 792	l 6,0	7 624	12,3	8 553	12,2	9 563	11,8
Unrestricted funds		I 243	20,4	I 287	3,6	I 663	29,2	6	(30,2)	I 223	5,3
Earmarked reserves		836	62,4	1 060	26,7	1 240	17,0	702	(43,4)	651	(7,1)
Unearmarked reserves		406	(21,4)	227	(44,0)	423	86, I	459	8,6	571	24,4
Total funds available at market value		7 099	18,4	8 079	3,8	9 287	15,0	9714	4,6	10 786	11,0
Unearmarked reserves as % of total income	%	10,6%		4,4%		8,4%		8,7%		9,7%	

Table 5 shows the composition of the University's funds, and the percentage of total income constituted by unearmarked reserves (thus, available for application by Council). Although the University's available funds and net asset value increased and are financially sound, certain risks need to be considered. Some of the most important risks identified are the following:

- the unknown effect that the expected change in the subsidy formula, and possible student fee regulations, will have on income streams for the University's main budget;
- potential sector regulation of student fee adjustments;
- the impact of the country's economic situation and ratings, as well as its effect on investment growth and yields, especially in the light of funding for the Campus Renewal Plan;
- the impact of the exchange rate on income from donations and research contracts; and
- students' ability to meet debt commitments.

The University will tackle these challenges by means of its strategic approach to financial planning and management.

LIQUIDITY

Transparent liquidity risk management implies that sufficient cash and marketable securities be maintained, and that credit facilities be available.

	2016	2017
	Rm	Rm
Current assets	1018	I 037
Current liabilities	885	06
Ratio current assets to current liabilities	1,15	0,98

The University had R774,1 million (2016: R752,1 million) in cash and cash equivalents on 31 December 2017, invested mainly in demand deposits. The available cash, plus net cash flow in 2018, will be sufficient to fulfil capital and other obligations. The University has the ability to realise longterm investments at short notice in order to cover possible liquidity risks.

Mr Manie Lombard Chief Director: Finance



Report of the **CHIEF OPERATING OFFICER** - C

Large public universities such as Stellenbosch University (SU) have many institutional objectives and no overriding profit motive. Nevertheless, systemic sustainability as an institutional objective and, at SU, an institutional strategy implies that the institution has to adopt and develop a number of business-like characteristics to sustainably achieve its various academic objectives. This is accomplished through the divisions of Finance, Facilities Management, Information Technology, Innovus and Maties Sport, which are all located in the responsibility centre of Operations and Finance, with the Chief Operating Officer (COO) at the helm. Progress made in 2017 in SU's pursuit of systemic sustainability is outlined below.

SHARPENING BUSINESS PROCESSES AND FUNDRAISING FOR FINANCIAL **SUSTAINABILITY**

CAUTIOUS BUDGETING TO ENSURE FINANCIAL **SUSTAINABILITY**

The higher education sector has been under financial strain for a number of years, exacerbated more recently by the pressures of the #FeesMustFall movement, the associated security expenses, and constraints on universities' ability to adequately adjust their fees every year. SU did not escape these pressures: In fact, the first projection of the University's main budget for the period 2018 to 2023 showed a cumulative deficit of R572 million. This result was not entirely surprising, as the 2017 budget was known to be unsustainable over the medium term.

The Finance Division developed various alternative scenarios in response to this significant risk to financial sustainability, and a combination of measures were eventually selected and approved. These are projected to avoid any deficits over the six-year planning horizon. The approved budget included some important decisions. It firstly introduced a baseline adjustment of 8% for student fees and 9.2% for the cost of SU accommodation, plus differentiated fee adjustments for some programmes and modules phased in from 2018 onwards. Secondly, an institutional decision was made to increase indirect cost recovery on third-stream income activities, implement cost-cutting measures across a number of activities, and shift bursary funding from the main budget to the fourth income stream. In addition, sustainability-oriented turnaround strategies will be initiated in the faculties of Arts and Social Sciences, Education as well as Theology.

Despite the fee adjustments, SU still does not rank among the most expensive universities in South Africa for most of its undergraduate programmes. Moreover, through the extensive portfolio of undergraduate and postgraduate financial aid managed by the University, 23% of our students were supported in 2017 at an average value of R56 310, covering 67% of their student fees. Student debt was managed responsibly and reported to the Audit and Risk Committee and Council as required.



Prof JWR de Villiers, first Vice-Rector (Operations and Student Affairs), 1985 Chief Operating Officer

Prof Stan du Plessis

SOUND AND RESPONSIBLE GOVERNANCE PROCESSES

Among the objectives of the COO's responsibility centre is the pursuit of continuous improvement in governance. To this end, the University implements the recommendations of the King III code of good governance and adheres to the reporting standards required of the country's higher education institutions. Implementation of the King IV Report, published in November 2016, has also been initiated.

One example of the value added in terms of professional governance in the reporting year was the University's rollout of a viable sourcing model with respect to services such as security, catering and cleaning. Under this model, which strikes a sound balance between the provision of decent and dignified jobs on the one hand and financial sustainability on the other, a number of contracts were put out to tender in 2017. These contracts were successfully allocated to external companies, subject to SU's code of conduct. In some instances, the rigorous tender process also pointed to internal services divisions as a more beneficial option. (See also "Purchasing and tendering procedures", page 20.)

Another example of good-governance innovation at SU in 2017 was the approval of a Technology and Information Committee (TIC) in line with the King IV recommendation to that effect. The TIC will ensure institutional oversight and strategic coordination of technology and information functions, and technology and information management and support, mindful of the separate yet overlapping responsibilities associated with information governance and information technology. This collaborative effort between the responsibility centres of the COO and the Vice-Rector (Strategy and Internationalisation) will be an important platform to ensure that information governance and technology at SU are aligned, coordinated and sustainably integrated with the University.

SU's commitment to the implementation of the King ready for use in early 2018. codes also implies advances in many other areas of good governance. In May, for example, the institution's first A snapshot of progress with major Campus Renewal Project combined assurance plan – an integrated plan that embeds initiatives, which will significantly boost the institution's manufactured capital, is provided below. the University's risk management model – served before

ROLL-OUT OF CAMPUS RENEWAL PROJECT INITIATIVES							
Initiative description	Value	Commencement and progress					
Jan Mouton Learning Centre Construction of a low- carbon facility boasting flexible classrooms, a light-filled atrium and terraced seating, triple-volume circulation spaces, an undercover walkway, a restaurant and basement parking on the Stellenbosch campus.	R257 m	Commenced in September 2017					
Faculty of Medicine and Health Sciences: Biomedical Research Facility Upgrade of the existing Fisan building and construction of a new three-storey addition with basement parking.	R977 m	Set to commence in 2019					
Faculty of Engineering New Pavement Laboratory, up- grades to Mechanical Engineering building and laboratory spaces.	R723 m	Set to commence in April 2018					
Bellville Park campus New lecture space and office extensions.	R136 m	Expected completion in 2019					
Drama: HB Thom Theatre Complex Complete renewal of electrical and electronic infrastructure, densification, new small theatre.	R96 m	Expected completion in February 2018					
Van der Sterr redevelopment Densification and construction of new lecture hall complex.	RIIIm	Completed in 2017					

Facilities Management, being the custodian of physical connectivity on campus, which covered 77% of all schedulable facilities on SU's campuses, follows a total-cost approach to lecture halls by the end of the reporting year. Meanwhile, SU the development of new facilities and the improvement of students can now follow live lectures or review material via existing ones. Another priority consideration is to ensure the SunStream service. The responsibility centre for Social universal access to enable all staff, students and visitors, Impact, Transformation and Personnel was also assisted with irrespective of their physical abilities, to use the facilities. the implementation of a software system to showcase SU's Another ongoing project across Stellenbosch campus is the social impact. provision of new fibre-optic data routes.

Another major, ongoing IT project is SU's transition from its existing, older-generation, monolithic enterprise resource planning software to what will be a portfolio of modern software with the required business capabilities for a leading research-intensive university. The system is used to manage various central functions, including finance, student information and facilities management. To implement crucial elements of the new portfolio, the IT Division in 2017 collaborated closely with Finance, the Registrar's Division and Facilities Management to prepare for the introduction of their respective new platforms.

HARNESSING TECHNOLOGY TO IMPROVE CAMPUS EFFICIENCY AND PRODUCTIVITY Having moved to the COO's responsibility centre in October 2017, the Information Technology (IT) Division is working hard to turn SU into a smart, technology-enabled institution. Important improvements attained in 2017 included the establishment of a new General Support Services Department and a considerable expansion of WiFi

Council's Audit and Risk Committee. And in a further bid to enhance SU's risk response, the Audit and Risk Committee added a fourth meeting, dedicated to risk management, to its annual meeting schedule.

PROVIDING SMART, GREEN, FUTURE-FIT FACILITIES FOR A SUSTAINABLE, FUNCTIONAL CAMPUS

In September, Council extended the University's very ambitious multi-year Campus Renewal Project and also expanded its scope by R1,46 billion to include two enormous projects in the faculties of Engineering as well as Medicine and Health Sciences. Meanwhile, the rebuilt and greatly improved Van der Sterr building reopened in 2017, while the revamped and expanded HBThom theatre complex will be



MANAGING CAMPUS SECURITY AS A SUSTAINABILITY RISK

Security remained a risk on all SU campuses, although 2017 did not see a repeat of the student protests that characterised the previous two years. Expanded security services on all campuses since 2016 have been paying dividends, and students and staff's personal safety on campus improved substantially.

However, the tragic murder of an SU student in the Stellenbosch central business district highlighted the close connection between safety and transport for a university community where the majority of both staff and students commute to our campuses. Therefore, the Campus Mobility Plan now provides for additional night shuttles to assist students who live off campus. Yet to deliver a long-term mobility and parking strategy, the mobility plan needs to be further developed, particularly in conjunction with Stellenbosch Municipality.

PROMOTING SPORT AS A STRATEGIC ASSET

Mindful of the strategic value located in a strong and wellmanaged sport offering, SU is continually upgrading its facilities, which have become sought-after training venues for local and international athletes. At the southern end of Stellenbosch campus, the athletics stadium at the iconic Coetzenburg sports complex is under construction, while the Lentelus sport fields and clubhouse to the north of the campus are also being upgraded. Both projects are scheduled for completion in 2018.

Maties Sport is central to building and sustaining excellence at SU. In 2017, SU's athletes continued to build on their successes of the previous year. Maties Rugby, for example, won the USSA national championship and ended second in the Varsity Cup. The following table shows other major sport achievements of the year in review.

 †	00

SPORT UNIT'S EXCEPTIONAL ACHIEVEMENTS						
Sporting event	Maties Sport achievement					
Varsity Sports	The Maties women's cycling team won the Varsity Sports MTB competition. Maties Rugby ended second in the Varsity Cup. Maties Hockey women won silver in the Varsity Hockey competition. Maties Netball, Maties Cricket and Maties Sevens ended third in their respective competitions.					
University Sport South Africa (USSA)	Gold for Maties Rugby, Maties Sevens, Maties Cycling, Maties Swimming women's team, Maties Water Polo men's team; and Maties Canoeing women's team. Maties Swimming came second overall, and the following teams also won silver: Maties Water Polo women; Maties Gymnastics; Maties Canoeing men; and Maties Surfing. Bronze for Maties Tennis, Maties Badminton and Maties Judo.					
World Para Championships	Nine members of Maties Parasport Club participated in the World Para Athletics Championships in July 2017. Maties athletes ended up winning 12 (that is 80%) of Team SA's 15 medals: • Charl du Toit (BEdHons student): two gold medals and one silver; • Dyan Buis (BEdHons student): two gold; • Ilse Hayes (alumna): two silver; • Anruné Liebenberg (BEd student): two silver; • Reinhardt Hamman (club member): silver; • Arnu Fourie (alumnus): bronze; and • Zanele Situ (club member): bronze. Christian Sadie won three silver medals at the World Para Swimming Championships in December 2017.					
World Student Games (Summer Universiade)	The USSA team to the 29th Summer Universiade (World Student Games) held in Taiwan in August included the following Maties Sport student-athletes: Justine Palframan (athletics), Samantha Pretorius (athletics), Jan-Louis Maritz (tennis), Emma Chelius (swimming) and Lwazi Madi, Nic Downes, Jason Evezard, Jordan Rumbelow, Lood Rabie and Cameron Sugden (all water polo). Palframan, the team's flag bearer, won a silver medal in the 400m.					

Apart from nurturing our country's future sport stars, **COMMERCIALISING** Maties Sport is also a key player in holistically developing Stellenbosch students, also putting a premium on the academic success of talented student athletes. In the past year, for example, the 307 students in the Maties Sport highperformance programme achieved an 83% success rate. In addition, the emphasis on advocating an active lifestyle among all students and staff helps create a cohesive and engaged SU community. Moreover, Maties Sport's diverse staff and commitment to representative sports teams contribute to institutional transformation and, thus, sustainability.

INTELLECTUAL PROPERTY AND THE CREATION OF BUSINESS **OPPORTUNITIES**

Innovus, another division in the COO's responsibility centre, but also a wholly owned subsidiary of the University, leads SU's highly successful technology transfer programme.

Through its business incubator, the Nedbank-Stellenbosch University LaunchLab, Innovus has helped establish SU as an internationally acclaimed entrepreneurial university: In the 2017/18 UBI world benchmark study of university-linked incubators, the LaunchLab stood out among its peers. This earned Innovus a prestigious award, which is to be handed over at the World Incubation Summit in Toronto in February 2018. Attesting to the quality of innovation emanating from the LaunchLab, one of its spin-out companies, CubeSpace, launched a nanosatellite to the International Space Station in 2017, from where it was released into space to gather scientific information.

Innovus also manages the University's stake in its group of • the maintenance of existing and the sinking of new companies, the Short Courses and Copyright Division, as boreholes. well as the SU trademark portfolio. These activities will be Yet whilst the water crisis response plan is intended to sustain of great significance to the University's financial sustainability SU through the severe drought, the measures encouraging in future as part of what has become known as the fifth water efficiency form part of a larger sustainability drive on income stream. To optimise this income stream, Innovus was campus. Another important component of this drive is the combined with SU's Division for Commercial Services in the Energy Master Plan, in terms of which SU in 2017 continued reporting year. Following the merger, Commercial Services to increase renewable energy use on its campuses, switched was renamed SunCom (Stellenbosch University Commercial to more energy-efficient lighting wherever possible, and Services) and includes the Neelsie Student Centre, SU managed to significantly drive down electricity consumption residences, Maties Food Services and Compliance, the per student. The sustainability drive further includes initiatives Botanical Garden, the Maties Copy and Print Shop, Maties to reduce and manage waste and improve the biodiversity Dairy as well as the newly revamped Maties Shop in the and indigenous landscapes on SU campuses. Neelsie and the Stellenbosch University Store in the town centre. Going forward, SunCom will support efficient service LOOKING AHEAD delivery, maximise commercial income and promote an entrepreneurial campus culture. An example of this is the so-In 2018 and beyond, the responsibility centre of the COO called Arts Project, which sees SunCom and Innovus working with the Faculty of Arts and Social Sciences as well as Facilities Management to ensure the sustainable management of SU's music halls, drama theatres and Woordfees.

SUSTAINABILITY

will continue to apply responsible financial management and sound governance practices. It will also continue to develop the physical infrastructure needed to achieve SU's core academic strategy, deliver the IT infrastructure to develop new pedagogical modes, and commercialise SU's cuttingedge interdisciplinary research for the benefit of society. In PURSUING ENVIRONMENTAL this way, we will remain central to the University's drive to improve systemic sustainability, promote the entrepreneurial By mid-2017, the protracted drought conditions since 2015 culture required by 21st-century higher education, and had plunged the Western Cape in a water crisis. Since then, ultimately help make SU the destination of choice for students and staff as we embark on our second century as SU's Chief Director: Facilities Management has been chairing a contingency committee and coordinating a water crisis a university.

response plan for the University. The plan entails managing water usage on the demand side, along with measures to increase supply. The list of measures undertaken in this regard include:

- the continuous identification and repair of water leaks;
- the fitting of water-saving taps and showerheads;
- the installation of bulk meters for improved monitoring;
- the harvesting of rainwater and reuse of greywater; as well as





The responsibility centre for Learning and Teaching (L&T) is a key contributor in establishing Stellenbosch University (SU) as the preferred institution for tertiary teaching and learning among all South Africans. This involves a sustained emphasis on relevant teaching pedagogies for the modern-day student and the delivery of world-class graduates equipped to make a difference in Africa. Therefore, L&T, through its divisions, ensures that the University's teaching function is effectively supported and both student and staff learning promoted. In this way, intellectual capital is transferred and optimised.

Overall, the responsibility centre helps sustain the institution's momentum of excellence. From a learning and teaching perspective, this requires quality academic programmes, skilled and dedicated academics, a flourishing and representative student body, well-oiled academic administration systems, and essential SU-wide support services. So, guided by the strategic priorities and themes in the University's Institutional Intent and Strategy 2013–2018 (IIS), SU's 2014 Strategy for Teaching and Learning as well as the L&T Environment Plan, the responsibility centre pursues eight specific strategic focuses. The following sections report on the core activities undertaken in 2017 to achieve each of these.

EXCELLENCE IN LEARNING AND TEACHING

PURSUING EVER BETTER, MORE EFFICIENT PROGRAMME AND SUPPORT SERVICES DELIVERY

On the eve of its Centenary in 2018, SU remains unwaveringly committed to continue ensuring a quality, efficient learning and teaching environment, sustaining the level of excellence it has become known for. The reporting year saw further external evaluations of seven academic departments and eight support services divisions, as well as 16 follow-up/ progress reports. These marked the end of SU's fourth quality assurance cycle. In addition, a simultaneous external review of L&T and all its support services divisions yielded valuable insights into the responsibility centre's internal synergy and overall impact on the institution. The findings will inform further efficiency improvements in the years ahead.

The University also continued its participation in the national Quality Enhancement Project (QEP), which included a report submitted to the Council on Higher Education on the second-phase QEP theme "Curriculum".



Prof WL Mouton, Prof Arnold Schoonwinkel first Vice-Rector, 1975 Vice-Rector (Learning and Teaching)

HONING SKILLS, BUILDING SCHOLARSHIP AND ADVANCING PROFESSIONALISATION

Acutely aware that its learning and teaching offering can only be as good as those appointed to deliver it, SU continued its initiatives to ensure that its academic and L&T support staff remain second to none, with skills comparable with the best internationally.

These included the tenth annual Scholarship of Teaching and Learning conference, the revised semester-long PREDAC (Professional Educational Development for Academics) and three instalments of the short course on blended teaching and learning. Thirty-seven teaching and learning research proposals were also submitted to the Fund for Innovation and Research in Learning and Teaching (FIRLT), which helps sustain a steady stream of research outputs and serves as a springboard for SU's successful teaching fellowship scheme. Regionally, the University co-presents the postgraduate diploma in Higher Education Pedagogy for academic staff wishing to sharpen their skills. And to reward top-performing academics, SU implemented its institutional awards for teaching excellence this past year, recognising 13 staff members at a gala function. Initiatives specifically aimed at enhancing the L&T support services realm included SU's key role in obtaining Department of Higher Education and Training (DHET) accreditation for the *Journal of Student Affairs in Africa*. Another two issues of this journal appeared, featuring contributions by a number of Stellenbosch staff. The University also further advanced the professionalisation of student affairs and allied higher-education services by registering a Postgraduate Diploma in Business Management and Administration (Higher Education Management). The course will professionalise the work of SU's own staff, and also attract peers from across Africa.

ESTABLISHING OPTIMAL ORGANISATIONAL STRUCTURES FOR ALL-ROUND EXCELLENCE

To better meet stakeholder needs, SU's Division for Student Affairs consolidated a number of new structures and senior appointments. Headed up by its new senior director, the Division now comprises the three centres of Student Counselling and Development, Student Communities as well as Student Leadership and Structures. Each guided by a director and staffed by a well-qualified, conscientious and committed personnel corps, their shared objective is to strengthen student leadership and the co-curricular offering at SU. The success of this new structure was confirmed by the 2017 external quality review.

SETTING UP INNOVATIVE SYSTEMS TO SUPPORT EXCELLENCE

The dashboard developed in 2016 with student and staff infographics, financial indicators and statistics was further expanded in the reporting year. It now also features national student and staff data, planning information, financial information down to departmental level, research statistics and strategic management indicators. The dashboard, which has been well received by senior staff, will be further populated with, among others, SU facilities information going forward.

STUDENT ACCESS WITH SUCCESS

A general quantitative measure of student success in academic terms remains the module success rate, which has since 2010 remained around 85%, among the highest in the country.

SU STUDENT MODULE SUCCESS RATE (%)

2010	2011	2012	2013	2014	2015	
83,2	83,4	84,9	85,9	85, I	86,7	
*Targets						

Further attesting to student success is the consistently high average first-year retention rate for all undergraduate bachelor's programmes, which stood at 88,1% for the period 2008–2017 (2007–2016: 87,9%). Yet the entire SU value chain is geared towards student access with success, including the following components.

SHAPING A CLIMATE AND CULTURE CONDUCIVE TO SUCCESS

The University understands that, apart from its academic offering, student success also implies eliminating physical, social, mental and other barriers to successful studies and personal wellness. To this end, three important policy initiatives were finalised for full implementation from 2018, namely the work of the End Rape Culture task team, the drafting of a comprehensive Universal Access Policy as well as the Discrimination and Harassment Policy.

Moreover, the groundwork was done to expand SU's highimpact first-year support offering to also include senior students. In 2018, the Senior Student Experience project will enhance support and development among second and thirdyears as well as postgraduates. Further bolstering support, the University's counselling and support services provided 6 832 individual psychotherapy sessions to students in 2017 – nearly double the number provided the previous year.

L&T recognises its responsibility to hedge against the potential risk of unchecked campus activism. Therefore, it has purposefully set out to establish a culture where activists for the common good are celebrated. To this end, the building housing SU's disability and equality units was named Simon Nkoli House, in honour of the late young human rights activist.



STRENGTHENING THE CO-CURRICULUM, STUDENT ENGAGEMENT AND LEADERSHIP

Efforts to extend and deepen the co-curriculum (out-ofclass learning experience) in 2017 included the accreditation of seven co-curricular programmes that develop graduate attributes and other competencies. These are acknowledged on students' transcripts upon graduation, improving Stellenbosch graduates' employability and equipping them to be agents of change for the benefit of the country. Another successful SU Leads conference also added to the cocurricular experience, preparing students to be responsible leaders.

In terms of student engagement, an assessment of the cluster hubs – study and recreational spaces shared by residence and commuter students – generated exciting results. The addition of another two hubs in 2018 will further strengthen the residential model for SU's students.

STARTING EARLY – NURTURING SUCCESS AMONG TOMORROW'S STUDENTS

One of the major barriers to tertiary academic success is insufficient preparation at school. Therefore, apart from its regular school recruitment drives, SU further strengthened its telematic schools project, which seeks to improve Grade 10 to 12s' year-end results. The 710 participating schools in the Western, Eastern and Northern Cape – 167 of whom joined in 2017 – are assisted with an annual 100 hours' lessons broadcast via SU's interactive satellite platform or internet live-streaming, covering nine key subjects.



SIZE AND SHAPE OF SU STUDENT BODY

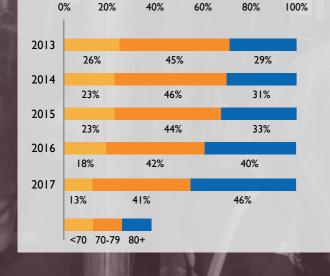
GROWING THE STUDENT BODY WITHOUT COMPROMISING ON QUALITY

SU's information sessions, career counselling and open days attracted thousands of top students from diverse backgrounds. More than 33 000 undergraduate applications were received, representing a 20% increase over the previous year.

Improved admissions processes also paid considerable dividends in terms of the number of complete applications received: For the first time, black African, coloured, Indian and Asian (BCIA) students submitted more complete applications than their white counterparts – 9 709 and 8 311 respectively. For black African students in particular, complete applications were up by 10% compared to 2016.

Mindful that quantity should never compromise quality, SU takes pride in the fact that an astounding 46% of its 2017 newcomer first-year cohort achieved 80% and above in the National Senior Certificate examination. A total of 41% passed with a mark of 70–79%. Those admitted with a final mark of below 70% decreased significantly from 26% in 2013 to 13% in 2017. See the figure below.

DISTRIBUTION OF NEWCOMER FIRST-YEARS' GRADE 12 RESULTS, 2013-2017



KEY TRENDS OVER THE PAST FIVE YEARS

The percentage of newcomer first-years (NFs) with a Grade 12 average of 80% and above increased yearly, with a sharp increase from 2015 to 2017. In 2015, one third of NFs achieved 80% or more in Grade 12, increasing to 46% in 2017.

Conversely, the percentage of NFs in the lower Grade 12 categories decreased steadily from 2013 to 2017, with the highest decrease in the category below 70%.

WORKING TOWARDS A MORE DIVERSE STUDENT BODY

Residence placement remains a key driver in SU's pursuit of a diversified student body by broadening access to students from many different communities. The University again received four times more applications than the available number of firstyear residence spots. Eventual first-year placements were well within the 40% BCIA placement and 5% international student placement targets. The following table provides the figures for all undergraduate residences in Stellenbosch. Placement figures for Tygerberg campus residences equally exceeded targets, with 54% BCIA first-years having secured place.

STUDENT PROFILE OF FIRST-YEAR RESIDENCE PLACE	CEMENT, 2016–2017				
	Numb	Numbers %			
	2016	2017	2016	201	
Population group					
White	I 202	76	59,6	56,	
Black African, coloured, Indian and Asian	816	907	40,4	43,	
Black African	338	388	l 6,7	18,	
Coloured	417	437	20,7	21,	
Indian	61	82	3,0	3,	
Asian*	n.a.	n.a.	n.a.	n.a	
Language					
Afrikaans	I 040	929	51,5	44,	
Non-Afrikaans	978	1154	48,5	55,	
Nationality					
South African	1 913	I 954	94,8	93,	
International	105	129	5,2	6,	
First-generation status					
I	821	802	40,7	38,	
2	I 158	I 240	57,4	59,	
Unknown	39	41	١,9	2,	
Academic merit					
80%+	I 103	I 238	54,7	59,	
<80%	915	845	45,3	40,	
TOTAL	2 018	2 083	100	10	

* At the time this data were extracted, 'Asian' was not available as a separate data field for students.

These and other efforts saw a marked improvement in SU's performance against the stated institutional registration target for BCIA newcomer first-years, as the following table shows:

COLOURED, INDIAN AND ASIAN NEWCOMER FIRST-	YE

Level	Number of students				Target set by Council			cil	
	2014 (June)	2015 (June)	2016 (June)	2017 (June)	2014 (June)	2015 (June)	2016 (June)	2017 (June)	
Total	29 393	30 50	30 854	31 639	*	*	*	*	
Postgraduates	9915	10 05 1	10 154	10 440	*	*	*	*	
Undergraduates	18 342	19 042	19 582	19 844	*	*	*	*	
Newcomer first-year students	5 182	5 371	5 102	5 269	4 830	5 3	4 977	5 1 2 9	
% of black African, coloured, Indian and Asian (BCIA) newcomer first-year students	35,7%	34,1%	35,2%	37,41%	30,7%	35,6%	37,2%	37,45%	

* See the table "Ministerial enrolment and effectiveness targets for 2019 and Stellenbosch University's performance, 2014-2017" on page 33.



NAL REGISTRATION TARGET FOR BLACK AFRICAN, ARS. 2014–2017

Total BCIA students as a percentage of the entire SU student body is also making steady progress:

ALL BLACK AFRICAN, COLOURED, INDIAN AND ASIAN (BCIA) STUDENTS AT SU (%)



*Targets

While these figures are encouraging, work will have to be intensified in the years ahead to diversify the student body even further, hedging against a potential student diversity risk going forward. See our student profile in numbers on pages 53 and 54.

FURTHERING PROGRAMME RENEWAL

Ensuring that SU offers responsive programmes in a costeffective way requires regular reflection on the programme offering. In this regard, the Programme Advisory Committee in 2017 tabled 23 new programme submissions to the authorities for approval, accreditation and registration with a view to introduction in 2019. (For programmes approved and accredited in 2017, see page 22.)

Catalysed by a workshop hosted by world-renowned learning innovator Prof Gilly Salmon, the institutional Programme Renewal Project gained great momentum. Each faculty identified one candidate programme for immediate renewal, and drafted a roadmap for other programmes to follow. Cross-faculty discussions in this regard will continue through the purpose-created forum of vice-deans for teaching.

INCREASING MULTILINGUAL PROGRAMME OFFERING

The reporting year marked the commencement of SU's new Language Policy, which positions the University as a worldclass South African institution that promotes multilingualism without exclusion. The policy provides for three delivery modes, i.e. Afrikaans and English for subdivided class groups (parallel-medium), both Afrikaans and English in undivided class groups, and either Afrikaans or English in accordance with the assigned lecturer's language proficiency. Module credits taught in each of these modes are indicated in the table below.



MODULE CREDITS BY MEDIUM OF TUITION								
	2014	2015	2016	2017	2018*	2019*	2020*	2021*
% module credits taught in English and Afrikaans parallel medium	l 6,6	15,4	17,5	20,9	20,5	22,0	23,5	25,0
% module credits taught in English and Afrikaans in same class	62,9	69,5	69,5	64,6	66,0	64,0	62,0	60,0
% module credits taught in either English or Afrikaans	20,4	15,1	I 3,0	14,5	13,5	14,0	14,5	15,0

*Targets

The Language Centre also maintained and expanded its offering. This includes credit-bearing courses in academic literacy, language acquisition and professional communication (2 667 students), writing consultations (4 537 consultations, including on Tygerberg campus and via Skype), short courses in academic writing (1 454 students), Reading Lab consultations (3 324 interactions), translation and editing services in all local and 15 foreign languages, an isiXhosa clinical communication programme for medical and health sciences students, as well as further isiXhosa terminology development.

To support the new Language Policy, interpreting services were considerably expanded. The offering now also includes valueadded services such as podcasts, transcriptions and translations of PowerPoint presentations, as well as South African Sign Language (SASL) interpreting.

In another exciting development, a new Language Learning Hub is taking shape, which will offer individual local students the chance to become more multilingual, with plans to expand to external clients in the future.

INCORPORATING INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) FOR LEARNING AND TEACHING

Committed to embed ICT in SU's learning and teaching practices, the University continued to implement the Council-funded R218 million ICT in Learning and Teaching project. Now that all fibre optic routes between buildings

have been completed and 77% of classrooms are WiFienabled, the newly appointed faculty-based blended-learning coordinators are set to foster meaningful integration of ICT with academic programmes. Another step ahead in terms of infrastructure was the commencement of construction on the new state-of-the-art |an Mouton Learning Centre.

As ICT becomes more firmly entrenched in its operations, SU continues to innovate, now boasting two successful massive open online courses (MOOCs), the new online learning design service SUNOnline, the mobile application FINANCIALLY of the institutional learning management system SUNLearn, SU remains committed to provide financial support to and the ability to conduct real-time interactive virtual qualifying students in need by both administering state classrooms through SUNStream. Moreover, SU's legacy sources and drawing on its own institutional funds. business intelligence system was successfully replaced with In terms of state sources, the National Student Financial the SUN-i system in 2017. The system offers accurate. Aid Scheme (NSFAS) is being scrutinised to assess its integrated information to better inform decision-making. effectiveness. Meanwhile, having unequivocally stated the and user uptake is steadily increasing. The process to replace need for public-private partnerships to improve support SU's existing student information system with a modern for poor and "missing-middle" students, government has 21st-century version also continued, and responses to the partnered with a range of private entities to establish the University's initial request for information are expected in Ikusasa Student Financial Aid Programme (ISFAP). The the first semester of 2018. programme intends to eventually fund up to 65% of all enrolled students in designated fields of study. SU forms part of the ISFAP pilot phase and will in 2018 offer up to TAPPING INTO NEW KNOWLEDGE 230 grants to first-years in the missing-middle bracket in MARKETS fields such as medicine, physiotherapy, occupational therapy, engineering, actuarial science and chartered accountancy. SU's knowledge markets stand to expand even further In a further bid to support the missing middle, the DHET thanks to the institution's expertise in interactive satelliteoffered an 8% fee adjustment grant to compensate for fee based technology, internet live-streaming, and now also increases at tertiary institutions. In 2017, all students with a SUNOnline. The latter aims to provide online design gross family income of less than R600 000 per year qualified and support services to faculties so as to craft academic for this support, and SU allocated more than R12 million to programmes tailor-made to suit special market needs. 3 168 students, including NSFAS beneficiaries.

The University's telematic programme remains key in this regard. Currently providing a technology-mediated platform to postgraduate academic offerings, it is seen as an important precursor of a more comprehensive technology-mediated type offering envisaged for the future. Once implemented, such a full-fledged telematic offering will provide for, inter alia, the learn-and-earn market by requiring students' presence on campus at only certain times of the year, with academic support mostly provided through satellite, web and other learning technologies.

COMPOSITION OF STUDENT BODY BY FIELD AND LEVEL OF STUDY, June 2017							
Faculties	Occasionals	Post- graduates	Under- graduates	Grand Total	%		
AgriSciences	65	567	I 469	2 101	6,7		
Arts and Social Sciences	312	38	3 383	5 076	16,0		
Economic and Management Sciences	346	3 480	5 181	9 007	28,5		
Education	7	776	971	I 754	5,5		
Engineering	161	922	2 998	4 081	12,9		
Law	25	383	420	828	2,6		
Medicine and Health Sciences	307	I 699	2 473	4 479	14,2		
Military Science	7	97	525	629	2,0		
Science	109	862	2 198	3 169	10,0		
Theology	16	273	226	515	١,6		
Grand Total	I 355	10 440	19 844	31 639	100		
Share of students (%)	4,3%	33,0%	62,7%	100%			

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Science	109	862	2 198	3 169	10,0		
Theology	16	273	226	515	١,6		
Grand Total	I 355	10 440	19 844	31 639	100		
Share of students (%)	4,3%	33,0%	62,7%	100%			

SUPPORTING STUDENTS

In addition, more than R107 million in bursary funding was made available from SU's own main budget to reward academic excellence, support students in need, and promote undergraduate student diversity.

Yet with an increasing number of students relying on aid, and both state sources and the University's main budget under growing pressure, fundraising and faculty-driven bursary recruitment initiatives have become crucial. To diversify its bursary sources and guard against the potential risk of overreliance on any one source, the concerted drive to increase the University's share of private-sector bursary donation agreements continues.



(Data extraction March 2018)			
Qualification type	Number awarded	%	
Undergraduate diplomas and certificates	65	0,7	
General first bachelor's degrees	2 640	29,2	
Professional first bachelor's degrees	52	l 6,8	
Postgraduate bachelor's degrees	75	0,8	
Postgraduate diplomas and certificates	I 355	15,0	
Honours degrees	I 462	16,2	
Master's degrees	I 622	17,9	
Doctoral degrees	305	3,4	
Total	9 045	100	

COMPOSITION AND SIZE OF STUDENT BODY BY GENDER, June 2017

Gender	Number of students	
Female	16 982	53,7
Male	14 656	46,3
Total	31 639	100



COMPOSITION AND SIZE OF STUDENT BODY BY RACE, June 2017

Race	Number of students	%
Black African	6 0 1 8	19,0
Coloured	5 719	8,
Indian	952	3,0
Asian	I	0,0
White	18 937	59,9
Withheld	12	0,0
Total	31 639	100

COMPOSITION AND SIZE OF STUDENT BODY BY HOME LANGUAGE, June 2017					
Home language	Number of students				
Afrikaans	12 168	38,5			
English	14 999	47,4			
Afrikaans/English	240	0,7			
lsiXhosa	I 084	3,4			
Other official SA languages	I 828	5,8			
Other languages	I 320	4,2			
Total	31 639	100			

COMPOSITION AND SIZE OF STUDENT BODY BY SA PROVINCE, June 2017					
Province	Number of students	%			
Western Cape	18 820	59,5			
Gauteng	3 856	12,2			
Unknown	3 006	9,5			
Kwazulu-Natal	2 088	6,6			
Eastern Cape	593	5,0			
Northern Cape	571	١,8			
Limpopo	508	١,6			
Mpumalanga	480	١,5			
Free State	469	١,5			
North West	248	0,8			
Total	31 639	100			

COMPOSITION AND SIZE OF STUDENT BODY BY NATIONALITY, June 2017 Number of Nationality students South Africa 27 991 88.5

Total	31 639	100
Rest of the world	I 225	3,7
Other African countries	551	١,8
SADC (excluding South Africa)	I 872	6,0
		,

Report of the **VICE-RECTOR** (Research, Innovation and Postgraduate Studies)

Stellenbosch University (SU) aims to be a leading research-intensive university on the African continent. The institution wishes to achieve this by pursuing excellence, remaining at the forefront of its chosen focus areas, gaining standing based on its research outputs, and being enterprising, innovative and self-renewing. This requires a careful balance between, on the one hand, continuity and consistency and, on the other, transformation and rejuvenation of SU's academic researcher cohort. At the same time, SU research strives to be socially relevant. Ultimately, our research efforts are not only aimed at academic success, but also at making a significant impact on the world around us.

These objectives are actively pursued by the responsibility centre for Research, Innovation and Postgraduate Studies (RI&PS). Through the activities of its various divisions, RI&PS in 2017 further strengthened the University's status as a research leader and bolstered the institution's intellectual capital, as the following sections will show.

APPOINTING YOUNG ACADEMIC STARS

By developing a new generation of academics, RI&PS enhances the University's research capacity, rejuvenates the researcher cohort, and helps defend SU against the risk of slow institutional transformation

One way in which this is accomplished is through a structured support programme for early-career researchers, which is backed up with funding from the Department of Higher Education and Training (DHET) research development grant. This includes early-career researcher mentoring, which has thus far matched 145 young researchers with experienced mentors to support mentees through their PhD studies as well as the official rating process of the National Research Foundation (NRF).

Postdoctoral fellows, another crucial component of our young researcher cohort, increased by 40% since 2015 to 352 in 2017. This significant growth is managed within the parameters of SU's new postdoctoral programme policy, which took effect in January 2017. These fellows contribute significantly to the institution's research output, as showcased at the postdoctoral research day towards the end of the year. Yet the programme faces the risk of insufficient human resources to deal with the administrative burden associated with such a large postdoctoral cohort, and increasing staff capacity should be a strategic priority.

The Consolidoc programme, which affords PhD graduates an extension following graduation to publish the research from their theses, also continued to pay dividends. The 12 Consolidoc fellowships awarded in 2016 eventually resulted in 38 articles and enabled five of the recipients to secure postdoctoral fellowships. In 2017, another 22 Consolidoc fellowships were awarded. Finally, the NRF early-career programme Thuthuka provided 41 young researchers with research awards worth just under R2,5 million.

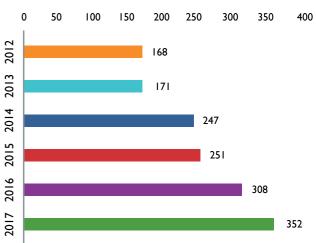


Prof HW Rossouw, first Vice-Rector (Academic), 1985



Prof Eugene Cloete Vice-Rector (Research, Innovation and Postgraduate Studies)

POSTDOCTORAL FELLOWS AT SU, 2012-2017



PROMOTING RESEARCH OUTPUTS

PUSHING THE BOUNDARIES OF RESEARCH OUTPUTS

According to the DHET's official report on 2016 publications (assessed in 2017), the weighted research output per full-time SU staff member (both publications and postgraduate students) was 3,11. The University's publication output per capita was 1,58. This made SU the most productive institution nationwide in terms of weighted research output per capita. In fact, DHET figures show that SU has maintained the highest research output per full-time academic staff member of all universities in the country for the past seven consecutive years. Furthermore, SU boasts the country's highest number of research citations per publication.

SU RESEARCH OUTPUTS, 2012–2016*										
Research outputs	2011	2012	2013	2014	2015	2016				
Weighted research output per capita	2,37	3,08	2,97	3,03	2,92	3,11				
Research publication output per capita		1,36	1,47	1,50	1,32	1,58				
Ratio of weighted research outputs per full-time equivalent teaching and research staff member (strategic management indicator)		2,41	2,33	2,50	2,53	2,64				

*Results of the 2017 publications are assessed in 2018.

In addition, the annual institutional research report, Research at Stellenbosch University, again garnered an excellence award at the annual MACE (Marketing, Advancement and Communication in Education) conference - for the sixth consecutive year.

Of course, a considerable increase in research output implies a concomitant increase in measures to ensure its integrity and ethical compliance. Ethics review at SU is managed through five committees, whose membership comprises academic staff and community members who volunteer their time to help ensure that the University's research is conducted in an ethically responsible manner. The considerable increase in new applications serving before these committees is reflected below.

NEW APPLICATIONS REVIEWED BY SU ETHICS COMMITTEES, 2013–2017										
Committee	2013	2014	2015	2016	2017					
Health Research Ethics Committee 1 and 2	453	475	507	470	555					
Research Ethics Committee: Humanities	425	430	616	882	I 285					
Research Ethics Committee: Animal Care and Use	32	41	41	50	35					
Research Ethics Committee: Biosafety and Environmental Ethics (new)	-	-	-	4	2					

Apart from the risk of ethically unsound research, the changing landscape of research publication also poses new challenges. Firstly, predatory publishing is of equal concern to all higher education institutions, including SU. To proactively raise awareness in this regard, several information sessions were held for the University's researchers in 2017. Secondly, new, more stringent policy requirements in terms of claiming publication output subsidies from the DHET add to the administrative burden on an already overstretched Division for Research Development. These issues will require careful consideration in the period ahead.

GROWTH IN RESEARCH OUTPUTS RECOGNISED IN WORLD RANKINGS

SU maintains a nuanced approach to university rankings: Academic excellence and quality remains non-negotiable, and no attempt is made to artificially influence the institution's position on any ranking.

Encouragingly, however, SU had climbed to the 351-400 category in the Times Higher Education (THE) World University Rankings released in 2017 (2016: 401-500 category), mainly on the strength of its improved performance

in the research section of the ranking. This reflects its status as a leading research institution in the country and on the continent.

SU's improvement on the THE ranking comes after the news that SU had risen even further in the latest QS world university rankings, which now places the University second in South Africa, having climbed from third position in the previous edition.

CREATING A PLATFORM TO INCREASE RESEARCH VISIBILITY

The SU Knowledge Directory, a tool collaboratively developed by a number of the University's divisions, aims to open up SU expertise to the world by means of a web console featured prominently on the institution's website (http://www0.sun.ac.za/knowledge_directory/).

The directory offers various benefits: It not only enables potential national and international research and industry partners to search for SU experts, but also promotes interdisciplinary networking among the University's own researchers. In 2017, the directory was populated with researchers' bio-sketches and links to their research publications.

SUPPORTING RESEARCH WITH 21ST-CENTURY LIBRARY SPACES. CUTTING-EDGE TECHNOLOGY AND SUSTAINABLE COLLECTIONS

To continue enabling the University's core business of research, teaching and learning, the Library and Information Service provides access to relevant, up-to-date information resources, the latest information discovery tools and stateof-the-art facilities.

In the reporting year, extensive refurbishments to the Faculty of Medicine and Health Sciences branch library at Tygerberg were completed. When opening its doors in early 2018, the facility will provide inviting spaces and facilities to accommodate the modern-day needs of medical students, researchers and staff. Architects have also been appointed for the refurbishment of sections of the central Stellenbosch University Library (formerly known as JS Gericke Library), a project which may take up to two years.

Apart from its newly upgraded website, the Library has also implemented a new-generation library management system and discovery tool, which keeps it in step with the latest technology and business processes the academic library industry has to offer. To support the implementation of a bespoke research data management system on campus, a research data manager has joined the Library staff.

In addition, efforts to ensure a more sustainable subscriptions bill continued in the year in review with an evaluation of all existing journal and database subscriptions, and an investigation into alternatives to subscribing to comprehensive electronic journal packages. This resulted in extensive savings, which have created much-needed manoeuvring space in the 2018 budget.

New service delivery initiatives, such as the establishment of a library student advisory board as well as seeking client feedback on whiteboards, have helped the Library and Information Service further improve its essential service offering.

SUSTAINING RESEARCH EXCELLENCE

EXPERT RESEARCH EARNS SU SPECIALISED **RESEARCH CHAIRS**

The University's sustained research excellence is evident from its 44 research chairs - 25 as part of the NRF South African Research Chair Initiative (SARChI) funded by the Department of Science and Technology, 18 funded by other sponsors, and the recently established chair in Studies in Historical Trauma and Transformation funded from the University's own budget.

Two chairs were added in 2017: One funded by the multinational beer and beverage company AB InBev in the Department of Agronomy aims to help achieve Africa's agricultural potential, while the SARChI chair in sugarcane bio-refining in the Department of Process Engineering centres on improving the economic viability of the sugarcane industry.

As part of developing a new strategic framework for the University, a process was also initiated to formulate new focused research areas to take SU into its second century as a research-intensive university. The recommendations emanating from three public consultative forums were fed into the drafting of the institution's new Strategic Framework 2019-2024.



RESEARCH OUTPUTS HITTING THE HEADLINES IN 2017

Untold histories of South African families to be recorded SU received a five-year Andrew W Mellon Foundation grant of \$860 000 in support of the project "The biography of an uncharted people" (www.unchartedpeople.org). The project hosted in the Department of History will transcribe large sets of historical micro-data to tell the untold histories of South African families that were previously excluded from the national narrative

Contribution to the state capture debate The report Betrayal of the promise: How South Africa is being stolen emanating from the SU-convened collaborative State Capacity Research Project contributed academically to the public debate about state capture in the country. Consisting of leading researchers from the universities of Stellenbosch, Cape Town, the Witwatersrand and Johannesburg, this is a prime example of the type of interdisciplinary, inter-university research SU aims to increasingly pursue.



Medical centre first to complete procedure

successfully twice In April, an SU-Tygerberg Hospital team performed a second penis transplant, making it the first medical centre in the world to successfully complete this procedure twice. The team performed the world's first penis transplant in December 2014. The procedure involves extremely taxing microvascular surgery. The transplants form part of a proof-of-concept study to develop a cost-effective penile transplant procedure for use in a typical theatre setting in a South African public-sector hospital.

SU-incubated CubeSpace launched microsatellite

Also in April, CubeSpace, an SU initiative incubated at the University's LaunchLab, launched its first microsatellite. ZA-AeroSat was launched with an Atlas V rocket from Cape Canaveral in the United States. This follows in the trail blazed by satellites Sunsat in 1999, built by SU staff and students, and SumbandilaSat in 2009, built by staff of a former SU spinout company SunSpace. The ZA-AeroSat docked with the International Space Station, from where it was released into orbit in May. The satellite forms part of the international QB50 project, which involves putting 50 satellites, each smaller than a shoebox, into orbit to gather data on the largely unexplored lower thermosphere 200–400 km above earth.

SUPPORTING SU'S GROWING NUMBER OF **EXEMPLARY NRF-RATED RESEARCHERS**

The University's 432 NRF-rated scientists, including 12 A-rated researchers, further attest to its sustained specialised research capacity.

In September, drastic changes in the NRF's ratings-linked incentive funding scheme were announced. While this poses grave concerns to many of SU's rated researchers, who have been depending on these funds, the University would like to continue supporting the NRF rating system in principle – not only as a qualitative, peer-reviewed measure of excellence, but also as a gateway to certain competitive NRF funding programmes.

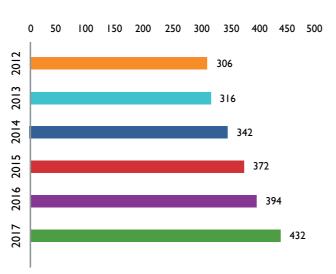
For this reason, SU has made available an award from its contingency fund so as to buffer the sudden change in NRF incentive funding. The University's NRF-rated researchers can therefore work on the premise that they will receive similar levels of incentive funding in 2018 than under the previous NRF rules, while the University puts in place longerterm plans.

SUSTAINED RESEARCH ACHIEVEMENTS ACKNOWLEDGED

The reporting year saw the University's academic and research support services staff again garnering numerous sought-after accolades. These included:

- two prestigious Royal Society of South Africa awards;
- five newly acquired memberships of the Academy of Science of South Africa (ASSAf);
- eight finalists at the National Science and Technology Forum (NSTF)/South32 awards;
- a Department of Science and Technology (DST) Women in Science award; and

NRF-RATED RESEARCHERS AT SU, 2012-2017



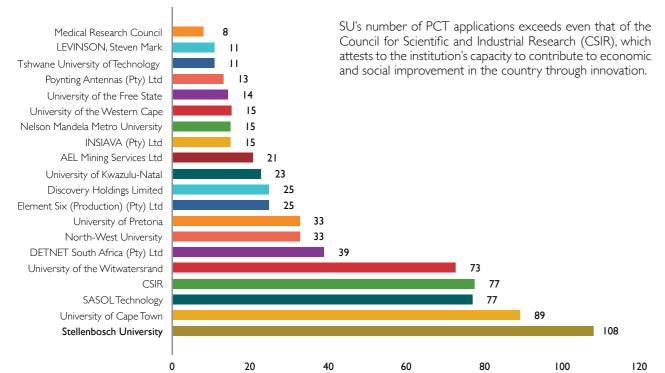
• two DST/Southern African Research and Innovation Management Association (SARIMA) awards for SU's contribution to research management in Southern Africa.

In addition, RI&PS Vice-Rector Prof Eugene Cloete received an NSTF award recognising his outstanding contribution to research and innovation in South Africa.

EXTENDING RESEARCH INNOVATION

Innovation constitutes a vital component of SU's research success. It positions the University as a place of opportunity, attracting the best researchers and students from across Africa and the rest of the world. The SU research output again delivered a considerable number of new innovations, as the following graph shows:

PATENT COOPERATION TREATY (PCT) APPLICATIONS RESULTING FROM SU RESEARCH. 2009-2017



Through the Technology and Human Resources for Industry GENERATING SUSTAINABLE Programme (THRIP), SU's partnerships with industry **RESEARCH INCOME THROUGH** were further strengthened. Twenty three projects funded **RESEARCH PARTNERSHIPS** under the original NRF-administered THRIP received their delayed 2016/17 grants, and R23,3 million was awarded. To generate sustainable research income through The University's industry partners also submitted 15 partnerships, RI&PS utilises both third-stream (contract project proposals to the new THRIP programme run by the research) and fourth-stream (philanthropic donations) Department of Trade and Industry (dti), with six selected sources. projects eventually receiving R22,1 million. As per dti requirements, some of the funding will be used for research and student training activities at historically disadvantaged institutions.

Third-stream income of more than R1 165,5 million was generated through the 885 new research contracts processed in 2017, whilst outgoing subcontracts signed totalled just over R23 million. The latter is lower than in 2016, although

the reduction is mainly due to a stronger					
THIRD-STREAM INCOME FROM	2013	2014	2015	2016	2017
RESEARCH CONTRACTS, 2013–2017	R669,1 m	R864,2 m	R866,6 m	RI 210,2 m	RI 165,5 m

Further significant sources of research income in 2017 were a bilateral and multilateral collaboration award of R14 million from the NRF and a R1.8 million award from the HB & MI Thom Trust towards study leave for academic staff and bursaries for postgraduate students. SU was also fortunate to receive two project-specific awards – one from the Mellon Foundation in support of the "Biography of an Uncharted People" project in the Department of History (R12,6 million), and another from the Research Councils UK to support SU's participation in the project "Developing" Resilient Nations - Towards a Public Health Early Warning System via Urban Water Profiling (ReNEW)" (R3 million).

Like previous years, SU academics again applied to the extremely competitive European Union (EU) Horizon 2020

Research and Innovation funding program	Ť	T								
NUMBER OF ENROLLED MASTER'S AND PHD STUDENTS AT SU, 2013–2017										
	2013	2014	2015	2016	2017					
Master's students	4 735	4717	4 848	4919	5 005					
Doctoral students	33	385	I 473	I 497	I 703					
Total	6 066	6 102	6 321	6 416	6 708					

Also, similar to the two prior years, 2017 again saw a record number of master's and doctoral degrees conferred.

MASTER'S AND DOCTORAL DEGREES AWARDED BY SU, 2013–2017										
	2013	2014	2015	2016	2017					
Master's degrees	30	293	378	I 468	I 622					
Doctoral degrees	225	234	267	278	305					

Mindful of the RI&PS's responsibility to defend against the risk of insufficient student diversity at SU, black African, coloured, Indian and Asian (BCIA) students represented a solid 49% of the postgraduate student body, whilst just over 19% of the postgraduate cohort were international.

POSTGRADUATE STUDENT DIVERSITY, 2013–2017										
	2013	2014	2015	2016	2017					
Percentage black African, coloured, Indian and Asian students	46,0	46,0	47,0	48,0	49,0					
Percentage international students	18,3	17,8	19,0	19,2	19,0					

other EU-related funding schemes. During 2017 alone, 15 grants to the value of R37 million were awarded (2014-2017: R169 million). In addition, SU researchers and students. were involved in 28 Erasmus+ awards, bringing the overall number of EU-related research collaboration awards at the University to 107.

SUSTAINING POSTGRADUATE STUDENT SUCCESS

A substantial and successful postgraduate student body is an important building block of any research-intensive university. In 2017, SU had 5 005 master's and 1 703 doctoral students.

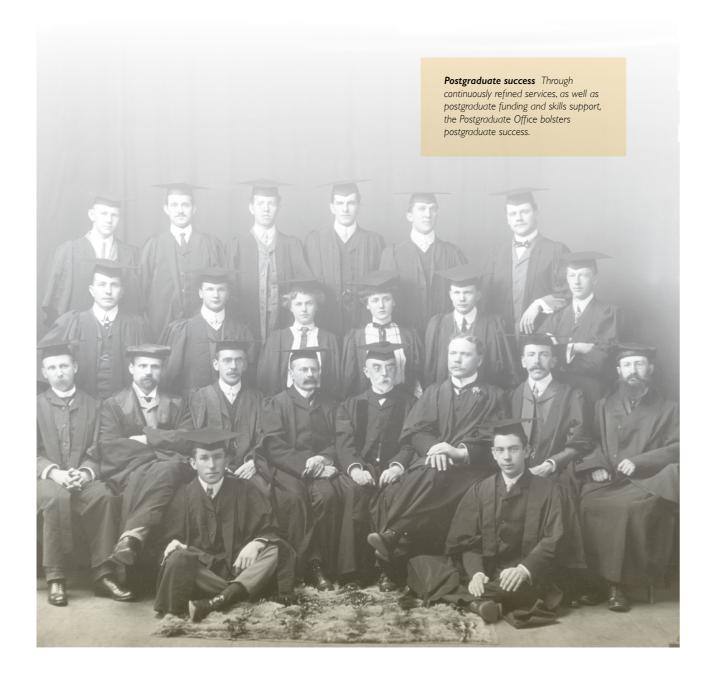
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5

Through continuously refined services as well as postgraduate funding and skills support, the Postgraduate Office (PGO) bolsters postgraduate success. A new, comprehensive catalogue now provides prospective postgraduates with an overview of SU's programme offering, while tailored orientation sessions across campus help new postgraduates find their feet. In terms of funding and skills support, the PGO administered bursaries worth R234 million in 2017 (2016: R222 million), with a welcome increase in bursary funds from industry, whilst SU contributed R30 million of total postgraduate bursaries from its own budget. To hone postgraduates' research skills, the PGO conducted 20 research support orientations for 1 012 postgraduates, reached 1 096 participants with research skills development workshops, and hosted a two-day intensive training session to improve postgraduates' academic writing skills.

The PGO also taps into SU's networks to pursue constant improvement in the University's postgraduate

environment. One example is its participation in the EU Erasmus+ programme Enhancing Postgraduate Environments. Through this intervention six South African and six European universities jointly develop a set of South African contextualised resources for strengthening postgraduate environments, SU-developed e-resources added to the project's website (postgradenvironments.com) in 2017 include "How is good scientific writing like good cooking", "The research degree toolkit" and "The MoU between supervisor and postgraduate students". In addition, the PGO manages the University's joint degree programmes with partners such as KU Leuven and Vrije Universiteit. Five students in joint PhD programmes graduated in December 2017, with a further five scheduled to graduate in March 2018. New joint degree agreements were also concluded with Hamburg University (Germany), Macquarie University (Australia), Coventry University (United Kingdom) and the Université Claude Bernard Lyon I (France).



Report of the VICE-RECTOR (Strategy and Internationalisation)

Helping to transform Stellenbosch University (SU) into a future-fit and globally competitive institution, the recently established responsibility centre of Strategy and Internationalisation (S&I) (previously Strategic Initiatives and Internationalisation) can be seen as a natural corollary of SU's pursuit of relevance. This pursuit has been an integral part of the University's strategies and plans for many years, even more so as the institution is about to enter its second century of existence next year. Following further self-assessment by the Rectorate in the reporting year, a third portfolio, information governance, was shifted to the responsibility centre in addition to its initial two responsibility areas of strategic initiatives and internationalisation. Together, these three portfolios are aimed at keeping SU responsive to the needs of a 21st-century higher education institution.

By implementing an aligned strategy in the plans of the various responsibility centres, faculties, departments, centres and units, S&I pursues optimal synergy between SU's strategic objectives, aspirational business plan and performance indicators (see page 34). The internationalisation brief, in turn, is to bring SU to the world and the world to SU – contributing to innovative scholarship, international collaboration and new knowledge economies locally, regionally and globally. In terms of information governance, the responsibility centre has set to work to create a framework to effectively monitor, regulate and evaluate SU's information systems, enabling the University to be more efficient with less effort.

As the paragraphs below will illustrate, the reporting year saw many advances made in these three portfolios to ensure that SU remains relevant in the changing higher education landscape and caters to the needs of modern-day students and employers as well as the country, region and globe.

DRIVING STRATEGIC INITIATIVES

CRAFTING STRATEGIES TO TAKE SU INTO THE FUTURE

The responsibility centre in 2017 initiated the development of SU's Vision 2040 and Strategic Framework 2019-2024, which are set to replace the existing Institutional Intent and Strategy 2013-2018 upon its expiry. Following strategic planning processes and consultations through the University's institutional and executive planning forums, five task teams were established to respectively generate inputs on SU's values, future size and shape, research themes, strategic performance indicators, and bursaries and loans. Incorporating their recommendations, along with feedback obtained through student and staff consultations on the values of SU, a first draft vision and framework should be available for extensive consultation in April 2018.

At the same time, the annual reiteration of the Institutional Plan - this time covering the period 2018-2023 - was again successfully completed, and the plan was submitted on



Mr Robert Kotzé, fırst Senior Administrative Officer and founder of the Office for International Relations, 1993

Prof Hester Klopper first Vice-Rector (Strategy and Internationalisation)

time to the Department of Higher Education and Training (DHET) in December.

Once adopted, the new Vision 2040 and Strategic Framework 2019–2024 will guide the Institutional Plan, ensuring optimal integration and coordination.

SPEARHEADING KEY STRATEGIC PROJECTS

A central strategic project in 2017 was preparations and planning for SU's Centenary 2018. Mindful of the economic climate and the University's already full academic year, it was decided to commemorate the occasion primarily using existing events on SU's calendar, while selectively adding only a few special events. With the Centenary visual identity, theme and expression introduced to campus in August, planning is far advanced and SU is looking forward to commemorating "100 years of learning, growing and moving forward together" next year.

In addition, S&I supported faculties such as Education, Arts and Social Sciences as well as Theology to work towards improved systemic sustainability through faculty-specific

renewal strategies. Medicine and Health Sciences was also supported in increasing its academic footprint through a new undergraduate nursing science programme and expanding its clinical platform to the Northern Cape.

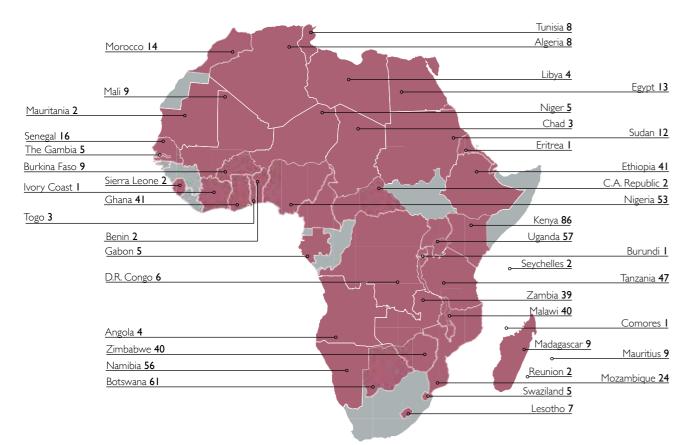
ADVANCING INTERNATIONALISATION

A FUTURE-FIT INTERNATIONALISATION PLAN AND FURTHER SUPPORT STRUCTURES

Having established SU International with its six centres as a more efficient organisational structure in 2016, efforts to produce an internationalisation strategy for SU started in all earnest in the year in review. Guided by the DHET's newly published Draft Policy Framework for the Internationalisation of Higher Education in South Africa, a position paper was drafted to serve as a basis for a broader strategy on internationalisation, which is scheduled for completion in the course of 2018.

Further efforts towards embedding internationalisation at SU included the establishment of an Institutional Advisory Committee for Internationalisation (IACI), which met for the first time towards the end of the year. The overarching function of IACI is to advise Stellenbosch University International (SU International) on matters relating to internationalisation, and to contribute to the advancement of internationalisation at the University. All responsibility centres and faculties are represented on the committee.

SU'S COLLABORATIVE PROJECTS



A UNIVERSITY OF AFRICA, FOR AFRICA - INCREASING SU'S FOOTPRINT ON THE CONTINENT

Through both its Africa Centre for Scholarship (ACS) and the Centre for Collaboration in Africa (CCA), SU continued its interventions to reach out to African partners in knowledge creation. Key among the ACS's activities in 2017 was coordinating the ever wider range of initiatives of the African Doctoral Academy (ADA). These included a winter and summer doctoral school (406 participants in total) and joint doctoral schools in collaboration with Makerere University in Uganda (100 delegates) and the universities of Namibia and Malawi respectively (300 delegates in total). The CCA, in turn, was hard at work managing SU's more than 400 registered active collaborative projects in over 42 African countries with more than 600 African collaborators (see figure). Moreover, SU sustained bilateral agreements with 24 higher education institutions on the continent.

Further attesting to the institution's strong presence in Africa is its continued hosting of the secretariat for the NEPAD Southern Africa Network of Water Centres of Excellence (SANWATCE). SU also continues to support pan-African initiatives such as PERIPERI-U (building disaster-risk capacity) and TRECCAfrica I and II (building skills to combat climate change and resource depletion), and its active participation in the African Research Universities Alliance (ARUA).

This growing footprint has clearly made SU an attractive destination for students from elsewhere in Africa, who currently comprise 58% of all international students and 84,3% of all international postgraduates at the University. Yet outbound student mobility from SU to other African countries can improve. To this end, PhD students and young researchers were accompanied to Makerere in 2017, with an undergraduate delegation to West Africa to follow next year.

EXPANDING INTERNATIONAL NETWORKS BEYOND THE CONTINENT – KEEPING MOBILE AND CONNECTED

The Global Engagement Centre (GEC) arranges both inbound and outbound non-degree student mobility. In the reporting year, it coordinated a range of non-degree programmes for 981 incoming international students. Inbound and outbound student and staff mobility remains the acid test for sustainable internationalisation.

In this regard, a total of 3 648 non-South African students were registered at SU in 2017, including a sizable | 225 from countries beyond Africa.

NON-DEGREE PROGRAMMES FOR INCOMING INTERNATIONAL STUDENTS

Programme

Short programmes (tailor-made according to home institution's requi SU International Winter School (three-week programme June/July)

Exchange programmes (from partner institution; involves tuition waive

Freemovers (Study Abroad students, paying full fee)

Affiliate students (short-term research stays/internships)

Total

The inbound non-degree cohort not only enhances diversity and adds an international element to the SU classroom and research environment, but also represents an important income generator that earned SU a total of R9,5 million. With this revenue, the University could inter alia support 332 outbound student mobility opportunities and award R4, I million in travel and exchange bursaries.

NON-DEGREE OUTBOUND MOBILITY FOR SU STUDENTS	
Programme	Number of students
Semester exchanges, 1 st semester (to partner institutions; tuition waiver, plus other benefits)	33
Semester exchanges, 2nd semester	62
Partner summer and winter schools	124
Independent summer and winter schools	56
Winter camp, Xiamen, China	16
Overseas conference grants for PhD candidates	23
KU Leuven-SU Think Tank	18
Total	332

PIONEERING A CUTTING-EDGE SYSTEM FOR INTEGRATED INTERNATIONALISATION DATA

As international collaboration data are often not readily **CREATING VALUE THROUGH THE** available to decision-makers and researchers, SU has initiated ESTABLISHMENT OF AN INFORMATION the development of an innovative electronic database that **GOVERNANCE PORTFOLIO** captures the information of all its networks, partnerships and collaborations. This specialised and tailor-made Following its formal inception in October, the new information system aims to combine customer relationship Information Governance Division (incorporating the management with international partnership management previous Division for Institutional Research and Planning) and international activities, whilst also being integrated was guick off the mark to establish its structures and with existing data sources such as SU's human resources procedures. Information Governance will be accountable and student information systems. Its development will be for developing an information vision and roadmap for SU, an innovative first. The system includes the information aligning information and IT strategies, and implementing components of staff mobility and activities, international technology and information governance. In addition it will visitors to SU, partnership management and international manage an implementation framework for the Protection of Personal Information Act (POPIA)/Promotion of Access projects. It will be refined and expanded in the months to Information Act (PAIA), and mitigate against information ahead.



COMPOSITION AND SIZE OF STUDENT BODY BY NATIONALITY June 2017

NATIONALITI, Julie 2017		
Nationality	Number of students	%
South African	27 991	88,5
Southern African Development Community (excluding South Africa)	I 872	6,0
Other African countries	551	I ,8
Rest of the world	I 225	3,7
Total	31 639	100



	Number of students
irements)	63
	129
ver)	332
	342
	115
	981

ENHANCING INFORMATION **GOVERNANCE**



and cyber-security risks. This it will achieve through its three centres for Institutional Information, Student Information System Support and Business Intelligence. A task team on information governance will provide additional support. The Information Governance Division is also represented on the Technology and Information Committee of the Rectorate.

RESPONSIBLY MANAGING PERSONAL INFORMATION

Personal information pervades the entire University. Policies and privacy notices may provide evidence of SU's formalistic compliance with relevant laws such as POPIA and PAIA. Yet, giving full effect to the constitutional right to privacy in all of the University's operations requires considerable training and awareness work, and a range of supporting tools.

In this regard, spearheaded by its Institutional Information Officer, SU in 2017 developed and released privacy notices for all institutional mobile apps and drafted a similar notice for the institutional corporate website. In addition, funding was secured and the groundwork done for an extensive privacy awareness campaign to be rolled out in early 2018. which will be followed by the development of privacy training material. Work on a new set of regulations for recruiting SU employees as research participants and conducting research with SU's personal and institutional information has also begun. At the national level, SU is a valued contributor to a Universities South Africa task team to help develop a POPIA code of conduct for the higher education sector, which is set to eliminate any regulatory uncertainties and other areas of concern.

To manage the risks presented by privacy and personal information, efforts to develop a formal set of privacy regulations and an information breach procedure are under way. A newly appointed SU labour lawyer will also assist the University in addressing privacy risks in its internal administrative functions.

LOOKING AHEAD

Now working with a firmly established organisational structure, S&I is looking forward to continue implementing its mandate in the years ahead. Specific focuses will be to align Vision 2040 and the Strategic Framework 2019–2024 with the responsibility centre's own strategic plans as well as those of faculties and support services divisions, and then implement these with vigour and dedication. Future internationalisation activities will benefit from the internationalisation strategy once completed in 2018. Moreover, the added formal information governance function will contribute to more effective and innovative use of the institution's information and IT. This will ensure that the University meets its own and stakeholders' needs and complies with all relevant legislation, contractual agreements and internal policies.

More immediately, however, S&I will be instrumental in seeing the University's Centenary 2018 project through to the end, fully utilising this key strategic initiative to enhance the SU brand.

Report of the **VICE-RECTOR** (Social Impact, Transformation and Personnel)

The responsibility centre for Social Impact, Transformation and Personnel (SITP) contributes to the University's institutional quest to have a transformative impact on society through its human resources. At the same time, the responsibility centre encourages institutional transformation and maintains a well-equipped, healthy and well-managed staff corps, preserving and expanding the institution's human and relationship capital.

Through its divisions of Human Resources, the Transformation Office, Social Impact, Campus Health Services, the University Museum as well as the Stellenbosch University (SU) Woordfees, SITP is uniquely positioned to advance SU's social impact and transform both the University and others - through its staff, students, alumni and partners. Precisely this the responsibility centre continued to do throughout 2017, as the following overview illustrates.

PROMOTING SOCIETY-CENTRED SCHOLARSHIP

FURTHER INSTITUTIONALISING SOCIAL IMPACT

With Senate having approved SU's Social Impact Strategic Plan (SISP) towards the end of last year, 2017 saw significant progress in setting up structures towards full implementation of the plan.

Two significant steps mandated by the SISP were the establishment of a Social Impact Committee of Senate (SIC[S]) and a Social Impact Knowledge Platform (SIKP). The SIC(S) met for the first time and drafted seven social impact themes, all aligned with the National Development Plan and the United Nations' Sustainable Development Goals, which have since been fed into the process of developing a new vision and strategic framework for the University. The SIKP, in turn, was also officially launched and now provides immediate information about SU's social impact initiatives to internal and external stakeholders, which considerably improves collaboration.

Implementation of the SISP also resulted in the development of a strategic management indicator for social impact. In addition, staff and student orientation sessions were hosted - the former to familiarise new academic appointments with the social impact support structures and champions across the University and the latter to introduce newcomer students to SU's social impact initiatives and strong culture of student volunteerism.

Pulling it all together, the annual Social Impact Symposium offered an opportunity to align, acknowledge and celebrate the social impact work done by SU's scholars, researchers and students.



Prof Julian Smith, first Vice-Rector (Community Interaction and Personnel) 2008



Prof Koopman Vice-Rector (Social Impact, Transformation and Personnel)

BUILDING SOCIAL IMPACT SKILLS AND SCHOLARSHIP

To properly embed social impact at SU, both staff and students' social impact competencies need to be enhanced. In this regard, staff from the Division for Social Impact attended and presented at two national and two international conferences, while the SITP Vice-Rector and colleagues attended the 2017 Talloires Network Leaders Conference in Mexico.

Students' skills in engaging with members of local communities were expanded through a student volunteering course coordinated and presented by Matie Community Service, which commenced in the fourth semester. Upon conclusion in March 2018, it is hoped that the students will put their newly acquired skills to use embarking on various community-based projects.

PARTNERING AND ENGAGING WITH COMMUNITIES

Benefiting communities in a most direct way, the SU chapter of the Golden Key International Honour Society celebrated Mandela Day by hosting the annual Toasties for Tummies drive on both Stellenbosch and Tygerberg campuses in partnership with Matie Community Service. The 340 participating volunteers prepared and distributed 11 000 sandwiches to 56 beneficiary organisations in the Stellenbosch municipal area, Tygerberg Hospital and the greater Western Cape.



In terms of more formal community engagement, the University continued to forge new and maintain existing partnerships with society through the Division for Social Impact. Relations with the Cape Higher Education Consortium (CHEC) in the standing committees of CHEC-Western Cape Government and CHEC-City of Cape Town were strengthened, while memoranda of understanding with the municipalities of Saldanha Bay, Hessequa, Drakenstein, Eden, Cape Winelands and Breede Valley were maintained.

Another indispensable link between SU and its surrounding communities is the University Museum, which increasingly serves as a safe space for transformative dialogue and inclusive citizenship. A range of public lectures and film screenings along with initiatives such as Wednesday art walkabouts attracted over 24 500 visitors. The museum's initiatives to reach out to those beyond the University's boundaries were not limited to local communities either, with several international partners hosted and papers delivered at international conferences and events. Moreover, the museum director was appointed as a research associate of Michigan State University Museum, which attests to SU's growing impact.

Campus Health Services (CHS) representatives made their impact felt beyond campus by participating in the biannual SA Sports Medicine Association conference, as well as further afield, delivering papers at the annual Sports Medicine Winter Summit in Utah and the American College of Sports Medicine annual meeting in Colorado. In addition, CHS published two case studies and a research article in international peer-reviewed scientific journals. Striving to be of service to as broad a public as possible, clinical personnel collaborated closely with Maties Sport's High-Performance Unit to assist the Maties USSA and Varsity Sport teams in their respective competitions, including travelling with the teams. CHS also delivered emergency medical services at 85 major multi-spectator events on campus. Finally, sports physicians and physiotherapists associated with CHS delivered clinical and teaching services on a rotational basis at the Institute of Sport and Exercise Medicine (ISEM) Sports Medicine and Orthopaedic Clinic at Tygerberg Hospital.

Several events on the University's strategic engagement calendar were also geared towards advancing public engagement. These included the stage production The Fall, the Oscar and Rose Mpetha memorial lecture to commemorate Human Rights Day, an Africa Day symposium and a Women's Day jazz concert.

BROADENING ACCESS AND CREATING DEVELOPMENT **OPPORTUNITIES**

Reaching out to other major Stellenbosch employers to promote development for the benefit of all residents of the town, SU convened a meeting with Stellenbosch Municipality, Capitec, Investec, Mediclinic, PSG, PwC and Remgro. Issues discussed included crime and safety, traffic and transport, water and electricity, job creation and skills development, as well as entrepreneurship and innovation. The intention is to emulate the successes of similar initiatives in the United Kingdom and United States, jointly harnessing the unique opportunities presented by a university town to overcome Stellenbosch's challenges.

As its contribution to creating development opportunities in the communities surrounding SU, the University Museum treated 565 learners from 21 schools to a guided tour of the museum and educational discussions on selected artworks.

As a result of this exposure, many of the learners expressed a strong desire to study at SU in the near future.

SU also continued its partnership with the e'Bosch Heritage Project, which seeks to build mutual respect and trust and to unite the people of Stellenbosch. One way in which this is pursued is by stimulating debate, which was a major aim of the 100% Stellenbosch Heritage Celebration event in Heritage Month, where a specially commissioned documentary Verlange (Longing) was screened. The video gave a voice to nine women from the greater Stellenbosch municipal area who reflected on their associations with the word "longing". Another outcome of the SU-e'Bosch partnership was the graduation of 15 volunteers in the 2017 e'Bosch sponsored community leadership course. The course equips community leaders to take ownership of development in their own communities and facilitate culture and heritage interventions.

Started in 1999 as an all-night event of poetry reading, the SU Woordfees has grown into one of South Africa's leading arts and culture festivals with a ten-day programme of over 500 productions, discussions, lectures and visual arts exhibitions. With more than 50 000 visitors and 72 319 tickets sold, the 2017 event again brought quality creative works to as wide an audience as possible, broadening access to the world of arts in a multilingual, inclusive and welcoming environment. Also falling under the Woordfees umbrella is the isiXhosa schools drama programme Buya!, which has grown to 46 participating schools in the Western Cape. At the Buya! Festival in May, 36 new isiXhosa plays premiered. In addition, the Woorde Open Wêrelde (WOW) project - another Woordfees initiative, and SU's largest schools partnership project - continued to develop a love for reading and learning among young learners. Active in all nine provinces, the various WOW learning and educational competitions attracted 674 participating schools.

Finally, the SU Choir was again voted the world's top amateur choir for the fifth consecutive year by Interkultur, leading organiser of international choir competitions and festivals. The choir offers valuable national and international exposure to many students who otherwise would not have had the opportunity.

ADDING TO OUR VALUE **PROPOSITION WITH AN IMPROVED STAFF CORPS**

CREATING A WELL-BALANCED WORKFORCE FOR A 21ST-CENTURY INSTITUTION

SU understands that human resources management is about more than timekeeping and salaries. In a 21stcentury institution, it requires a careful balancing act between integrated talent management, leadership development, work-life balance, employment equity, change and transformation management, and a strategic business partnership between line management and employees. In 2017, the Division for Human Resources managed this delicate balance, further establishing SU as the preferred employer in the South African higher education sector.

The primary focus is to ensure the right workforce in terms of numbers, competencies, post levels and attitude to be able to execute the University's strategies and achieve its objectives. To this end, a number of senior appointments were made in the course of the year, which not only boosted SU's staff skills pool, but also enhanced diversity. Prof Danie Brink took over from Prof Mohammad Karaan as Dean: AgriSciences, whilst Prof Reggie Nel was appointed

new Dean: Theology. SU's new Dean: Arts and Social Sciences is Prof Anthony Leysens. In addition, the University concluded the appointment of Prof Ingrid Woolard as Dean: Economic and Management Sciences, and is looking forward to welcoming her in the first semester of 2018. Dr Leslie van Rooi took up the position of Senior Director: Social Impact and Transformation, and Mr Gerhard Lipp was promoted to Senior Director: Legal Services.

STREAMLINED PROCESSES FOR EFFICIENT WORKFORCE MANAGEMENT

Although steeped in history, this nearly 100-year-old institution keeps innovating, and its human resources practices are no exception. To keep pace with modernday needs, the Division for Human Resources successfully implemented its electronic blended-learning programme for performance management, and over 500 staff members completed it in the second semester.

Further innovations included the introduction of a leadership advertising. and executive development programme for staff, the In 2017, black African, coloured, Indian and Asian (BCIA) staff decentralisation of academic appointments and promotions constituted 23% of the total academic establishment at SU to faculties, and the completion of an employee benefits (2016: 22%) and white academic staff 77% (2016: 78%). In and culture-and-climate survey. To ensure that staff's specific terms of employment equity levels among SU executive and training needs are met, personnel development plans were non-academic staff, BCIA personnel represented 58% (2016: linked to training interventions. Gender pay parity was 57%) and white staff members 42% (2016: 43%). So, while another major focus, and further advances were made to staff diversity is clearly improving, the pace at which this is eradicate unjust remuneration practices. happening requires attention.

Share of permanent staff from black	2011	2012	2013	2014	2015	2016	2017	2023
African, coloured, Indian and Asian population groups (%)	40,0	41,0	43,0	43,2	43,8	45,6	46,7	55,0

Although the number of academic staff with disabilities is up from 6 in 2016 to 8 in 2017, the percentage share has declined from 1% to 0,7% as a result of an increase in the total academic corps. The number of executive and non-academic staff is up from 15 in 2016 to 22 in 2017, showing a slight increase in the percentage share of 0,6% to 0,9%.

OUR HUMAN CAPITAL EQUITY PROFILE

EMPLOYMENT EQUITY PROFILE OF ACADEMIC STAFF AT SU, 2017												
		Foreign nationals					F	Percent	tages %	6		
Faculty	BCIA	White	Total	BCIA	Other	Total	Grand total	Staff with disabilities	BCIA	White	Foreign nationals	Staff with disabilities
AgriSciences	19	69	88	2	4	6	94	2	22	78	6,4	2,1
Arts and Social Sciences	43	151	194		6	6	200	2	22	78	3,0	١,0
Economic and Management Sciences	36	184	220	5	2	7	227	I	16	84	3,1	0,4
Education	26	23	49			0	49		53	47	0,0	0,0
Engineering	11	111	122	5	2	7	129	I	9	91	5,4	0,8
Law	7	23	30		I	I	31	I	23	77	3,2	3,2
Medicine and Health Sciences	58	91	149	I	2	3	152	I	39	61	2,0	0,7
Science	35	132	167	3	10	13	180		21	79	7,2	0,0
Theology	8	16	24				24		33	67		0,0
Vice-Rector (Research, Innovation and Postgraduate Studies)	I		I				I					
Chief Operating Officer		Ι	I				I					
Grand total	244	801	I 045	16	27	43	1 088	8	23%	77%	4,0%	0,7%

BCIA = black African, coloured, Indian and Asian staff

BUILDING A DIVERSE AND TRANSFORMATION-ORIENTED STAFF

SU's staff corps constitutes a major transformative instrument at the University. Therefore, in gauging transformation at the institution, shifts in staff diversity are closely monitored. To ensure optimal diversity in all appointments and promotions, and to accelerate the representation of employees from underrepresented groups across SU, the multi-year workforce plans were further fine-tuned and expanded.

Now working within the parameters of a newly approved, comprehensive Employment Equity Policy and Plan, a key development in the reporting year was the appointment of a Director: Employment Equity, who will be exploring strategies to accelerate staff diversity. An employment equity committee has also been established to help monitor progress in achieving staff diversity targets. Of course, meeting diversity targets already starts with ensuring a diverse applicant pool. In this regard, extensive strategic recruitment actions were launched in addition to normal



EMPLOYMENT EQUITY PROFILE OF EXECUTIVE AND NON-ACADEMIC STAFF AT SU, 2017												
	Fore	ign nati	onals				Percent	ages %				
Faculty/division	BCIA	White	Total	BCIA	Other	Total	Grand total	Staff with disabilities	BCIA	White	Foreign nationals	Staff with disabilities
AgriSciences	68	43	111			0	111	3	61	39	0	2,7
Arts and Social Sciences	65	40	105	I		I	106	2	62	38	0,9	١,9
Chief Director: Finance	4	3	7			0	7		57	43	0	0
Chief Director: Human Resources	17	5	22			0	22		77	23	0	0
Chief Operating Officer	350	221	571			0	571	4	61	39	0	0,7
Corporate Communication	0	I	I			0	I		0	100	0	0
Economic and Management Sciences	58	63	121			0	121		48	52	0	0
Education	34	18	52			0	52		65	35	0	0
Engineering	64	46	110	2	2	4	114		58	42	4	0
Innovation and Commer- cialisation	4	4	8			0	8	I	50	50	0	12,5
Law	9	9	18			0	18		50	50	0	0
Medicine and Health Sciences	230	151	381	3	4	7	388	2	60	40	8, ا	0,5
Military Science	I	2	3			0	3		33	67	0	0
Science	77	74	151	I		I	152		51	49	I	0
Theology	7	7	14			0	14		50	50	0	0
Vice-Rector: Learning and Teaching	144	152	296	I		I	297	7	49	51	0,3	2,4
Vice-Rector: Research, Innovation and Postgradu- ate Studies	94	95	189			0	189	I	50	50	0	0,5
Vice-Rector: Social Impact, Transformation and Personnel	88	44	132			0	132	2	67	33	0	١,5
Other	20	14	34	I		I	35		59	41	3	0
Grand total	334	992	2 326	9	6	15	2 341	22	57%	43%	0,6%	0,9%

With its Transformation Office now fully established, SITP is well equipped to help defend SU against the risk of lacking staff diversity and institutional transformation. In this regard, the approval and implementation of the Transformation Plan was a key focus in the year in review. Several actions were taken to align existing practices and policies with the plan. These included the formation of a Visual Redress Task Team, which is tasked with monitoring and guiding the naming of SU buildings and venues as well as the renewal of public spaces, symbols and facilities to ensure that no-one feels excluded. The reconstituted Institutional Transformation Committee (ITC) also provided sound leadership and advice, and championed the establishment of faculty-based transformation committees along with a student ITC.

In an effort to equip staff with the tools and skills to advance institutional transformation, SU's transformational competency workshops reached another 250 employees, while a transformation glossary and interfaith guidelines were also produced. In addition, SU's first Transformation Indaba towards the end of 2017 served as a platform for

over 100 staff and students to exchange ideas to advance the Transformation Plan. Discussions on issues such as the decolonisation of the curriculum, visual redress, universal access for disabilities, addressing rape culture and building an enabling institutional climate and culture yielded valuable insights, which will serve as a point of departure for transformation work in 2018.

ATTENDING TO PERSONNEL NEEDS IN TIMES OF CHANGE

The higher education sector has recently been characterised by increased turbulence, tension, transition and change. As a responsible employer, SU needs to ensure that staff are supported to cope with these demands. This required a strong focus on comprehensive staff wellness as well as social interaction in 2017.

Initiatives in this regard included the annual Fun Walk and Sports Day, which attracted 874 enthusiastic staff participants, as well as health screenings offered to 678 employees across faculties and support services environments. SU's staff support and advisory service conducted 223 consultations.

A FIGHTING FIT STAFF AND STUDENT CORPS FOR A FUTURE-FIT SU

CHS remains key in ensuring a healthy staff and student corps, and conducted 24 939 student and staff consultations in the reporting year. Having changed its operating hours to suit medical students' needs, the Tygerberg Campus Clinic has significantly improved its accessibility.

The structuring of cost-effective packages and a successful institutional occupational health programme have seen an increased uptake of CHS's physiotherapy service offering, as well as a total of 1 689 office visits with a view to improving office ergonomics. In a further bid to treat and prevent illness, campus initiatives were rolled out to raise awareness of hypertension and breast cancer.

Injury and disability prevention efforts included preparticipation health assessments of 251 Maties highperformance athletes, the distribution of injury prevention guidelines on social media, and the training of student volunteers in emergency management of severe contact sport injuries.



Attending to personnel needs in times of change The higher education sector has recently been characterised by increased turbulence, tension, transition and change. As a responsible employer, SU needs to ensure that staff are supported to cope with these demands. This required a strong focus on comprehensive staff wellness as well as social interaction in 2017.



Report on

RISK EXPOSURE, EVALUATION AND MANAGEMENT

Like any other organisation, Stellenbosch University (SU) faces occasional risk exposure that may disrupt its efforts towards achieving its strategic and operational objectives, and hamper sustainability.

Over the past eight years, the University has developed risk management into a key aspect of corporate overview. In 2009, the institution adopted an embedded risk management model, which assesses risk in all areas, and then manages it at source as far as possible. This model, which had been further refined over time, was subjected to an internal audit in 2013. Proposals from the audit were implemented and risk evaluation was improved to provide for both initial and post-intervention assessment.

Council's adoption of the Risk Management Policy in 2015 laid the foundation for an enhanced risk management framework for SU, which was implemented in 2017 and continues to be refined. According to this framework, risk management at SU supports institutional management processes, with risk owners continuously capturing risks in the University's electronic risk register for managerial overview. Risks that require institutional managerial overview are then referred to the responsibility centres' respective risk management committees, followed by the Rectorate Risk Management Committee (RMC). The risk register is annexed to the Rector's risk management report that serves before Council's Audit and Risk Committee.

MONITORING, REVIEW AND CONTROL IN LINE WITH A COMBINED ASSURANCE MODEL

In 2016, Deloitte, the University's internal audit service provider, helped develop SU's combined assurance model, as recommended by King III and the Institute for Internal Auditors (IIA), to coordinate and optimise the various assurance services and functions at the University. Following the publication of the King IV Report on Corporate Governance for South Africa 2016 (King IV), the lines of combined assurance were expanded from three to five. Combined assurance is built on risk management, and the combined assurance model clarifies roles and functions, reflects the latest developments in the area and contributes to improved communication and more efficient risk management and control.

During the reporting year, risk management matured both internationally and locally with the publication of an update by COSO (the Committee of Sponsoring Organisations of the Treadway Commission) in September, as well as the introduction of King IV with specific reference to risk management. Although work still needs to be done to obtain a fully integrated risk management programme, SU's risk management programme has further evolved through initiatives collectively planned and executed by a risk management task team consisting of the Chief Director: Finance, the Director: Risk Management and the Financial

Controller. The Financial Controller is also responsible for the link between the risk register and the combined assurance report.

The refinements to the risk management function also required the terms of reference of the Rectorate RMC to be updated. The revised terms of reference were presented to the Rectorate for evaluation and approved in September 2017.

RISK ASSESSMENT AND PRIORITISATION

Leading the way towards a new, refined and mature risk management process is the updated version of the SU risk register software, which was implemented in 2017. Additional functions include the following:

- Risk owners list the existing processes or controls towards mitigating risk exposure, and indicate the perceived effectiveness thereof.
- · Risk owners are required to consider root causes of identified risk events so as to address causes instead of consequences
- An expanded format for the risk mitigation action plan allows risk owners to indicate mitigation actions to be taken by various officials, as well as the completion date of each mitigation action.
- Expanded risk classifications complement the institutional organisational layout. For each risk classification, a senior manager is appointed as institutional classification owner, responsible for residual risk assessment and prioritisation.

Risk classification owners were individually trained and guided to compile oversight reports for each classification following secondary risk assessments. In these reports, classification owners review the risks and refer those with the highest exposure to the Rectorate RMC for review, and then to the Rectorate.

There is more work ahead to obtain a fully integrated risk management programme. For the sake of conducting meaningful two-tier risk assessments, processes will be initiated to identify strategic and operational risks as potential future risk events as opposed to institutional issues. In addition, the risk register records will undergo an institutionwide update. Classifications, classification owners, definitions and principles regarding risk ownership will be among the topics discussed and evaluated by the Rectorate RMC.

SETTING UP THE RISK HEAT MAP

The refinement of the risk management process also created the opportunity to review the process of setting up the University's customary risk heat map. It was recommended that the risk heat map be compiled from all risks that classification owners refer to the Rectorate following their secondary risk assessments. In this way, the Rectorate RMC and Rectorate will have high-level oversight of each of the

risk classifications, which will enable them to focus more specifically on the high-order prioritised risks instead of a multitude of operational risks.

The process of risk management supports institutional **ESTABLISHING RISK APPETITE** management, as risk owners continuously capture risks in the University's electronic register for managerial review. According to the COSO Enterprise Risk Management Institutional risks are continuously reviewed, with six-month Framework, risk appetite is a broad-based description of oversight and revision meeting cycles. The responsibility the desired level of risk that an entity will take in pursuit of centres' risk management committees refer risks that require its mission. As the responsibility centres' risk management institutional managerial overview to the Rectorate RMC. committees predominantly focus on operational risks, the Where it makes sense, high-order strategic and operational risk management task team recommended that the setting risks are linked to the University's strategic priorities (see the of risk appetite be made a Rectorate RMC function. The task following page). With the revision of our institutional strategy team recommended the following process for the setting of in progress, new strategic priorities will be introduced in risk appetite to complement strategic management: 2018. In an effort to reduce exposure to these risks, they are • The Rectorate considers and prioritises risks associated strategically managed to acceptable levels of tolerance in the with achieving strategic objectives (identification of medium to long term.

- strategic risks at the annual institutional planning session).
- The Rectorate considers extraordinary risks challenging the realisation of one or more strategic objectives.
- The risk management task team drafts applicable risk appetite statements.
- The Rectorate approves the draft risk appetite statements for consideration by the Audit and Risk Committee of Council.
- Council approves the risk appetite statements, thereby authorising SU to accept certain risks in the pursuit of realising its strategic objectives.



MANAGING HIGH-ORDER RISKS STRATEGICALLY

The table on page 72 provides a synopsis of SU's highorder risks during the reporting year, and the measures the institution has put in place to manage them. Also consult the various responsibility centres' reports for further information on how these risks were tackled in 2017. SU's financial risks are addressed in the financial report.

Internal high-order risks of 2016 that have been mitigated to acceptable levels are: insufficient investment in sport, a reduction in bursaries from the National Student Financial Aid Scheme (NSFAS), the transfer of the Technology and Human Resources of Industry Programme (THRIP) to the Department of Trade and Industry (dti), the funding shortfall for the new Jan Mouton Learning Centre due to rising building costs, student diversity, and criticism against the state of transformation at the University and the Language Policy.

Sd. Herris

Prof Stan du Plessis (Chief Operating Officer) Chair of the Rectorate's Risk Management Committee

SU'S HIGH-ORDER RISKS DURING THE REPORTING YEAR						
Priority	High-order risk	Our response	Responsibility centre			
access	Insufficient lecture hall capacity for increasing student numbers*	Construction of the Jan Mouton Learning Centre started in Sep- tember 2017 after SU had received a private donation towards the learning centre's funding shortfall. Council has also made available approximately R121 million. Completion of the densification of the Van der Sterr building, and construction of a new lecture hall complex. Renewal of electrical and electronic infrastructure of the HB Thom theatre, along with densification, and addition of a new small theatre. For more planned Campus Renewal Project initiatives, see page 45.	Chief Operating Officer			
Broadening access	The discontinuation of National Research Foundation (NRF) incentive funding	Assessment of the indirect cost recovery policy in collaboration with the Finance Division. Reassessment of the University's postgraduate bursary expenditure to ensure that students are optimally funded. Liaison with national and international funding agencies. Positioning our researchers to compete successfully for funding opportunities.	Vice-Rector (Research, Innovation and Postgraduate Studies)			
	Staff diversity	R70 million allocated for the diversification of particularly the senior academic corps. Aiming for 40% representation of designated groups in academic staff.	Vice-Rector (Social Impact, Transformation and Personnel)			
	Sustainable main- tenance of physical facilities*	Sustainable maintenance factored into the Campus Renewal Project. Capacity enhancements through the internal transfer of a senior project manager to the Campus Renewal Project, and the sourcing of a project management consultant for Property Services to assist with upgrade projects.	Chief Operating Officer			
исе	Exposure to building and mountain fires*	Placing an expert group of diverse stakeholders on standby as a contingency committee for fire management. Ongoing attention to fire exposure. Remedial actions were taken after the 2016 audit, and detailed audits of another 26 buildings are being undertaken.	Chief Operating Officer			
ח of excelle	Potential allegation of unethical research practices at SU	Formal investigation processes and policies are in place to address allegations fairly and transparently. Dealing with respondents or complainants who do not accept the outcome as fair or who fail to comply.	Vice-Rector (Research, Innovation and Postgraduate Studies)			
Sustaining momentum of excellence	Capacity constraints exposing University to unsound legal advice and documentation	Addressing unsound legal advice through a combination of internal and external legal capacity and coverage. Drafting of a Legal Risk Regulation in conjunction with the Compliance Regulation. Applying existing guidelines for vetting and signing off commercial contracts, managing litigation and other legal documents.	Rector			
Sustainin	Increased litigation under the impending Protection of Per- sonal Information Act (POPIA)	The Information Governance Division launched several initiatives to address and ensure privacy legislation compliance. These include reviewing all applicable existing policies and procedures, applying an assessment tool to assess institutional compliance, and incorporating best practices in awareness programmes for all divisions.	Vice-Rector (Strategy and Internationalisation)			
	Ageing IT infrastructure and inadequate staff capacity to man- age ongoing changes and implement and maintain systems and services*	Investigation into organisational structure. Clustering specialist knowledge sources. Allocating additional funds for core functions in the IT budget to facilitate responsiveness.	Chief Operating Officer			

Priority	High-order risk	Our response	Responsibility centre
	Inadequate cyber- security*	A Cybersecurity Office was established within the IT Division, and a full-time cybersecurity functionary was appointed. Subsequently, an assessment was conducted and several technical operational corrections were initiated, effectively driving down exposure.	Chief Operating Officer
	Potential disruption of University activities by student activism*	Finding legal alternatives and developing guidelines to promote lawful protest action. Appointing contingency committees to manage situations that may disrupt core activities. Establishing task teams to investigate activism triggers, such as alleged rape culture, student fees and sourcing. Implementing a viable sourcing model for continuous services (see pages 20 and 44).	Chief Operating Officer
	Occupational health and safety compliance	Assessment of the state of the occupational health and safety (OHS) function within the University. The OHS function reports to the newly appointed technical advisor in the Property Services Section.	Vice-Rector (Social Impact, Transformation and Personnel)
Enhancing social impact	Increased exposure to violent crime in particular*	Collaborating with external partners through Stellenbosch Security Initiative, of which SU is a founding member. Continuous implementation of a comprehensive preventative and reactive security strategy, with visible patrols and campus community awareness through an extensive communication drive. Renewed efforts to ensure safety in the Coetzenburg area. For more on campus security, see page 46.	Chief Operating Officer
	Predatory publications and publishers, including the hijacking of scholarly journals	Raising strong awareness among our researchers about the danger of predatory publishing and publishers as well as hijacked journals when encouraging them to publish in open-access publications.	Vice-Rector (Research, Innovation and Postgraduate Studies)
Enhanc	Drought in the Western Cape*	A Drought Response Plan Contingency Committee has been established to ensure compliance with level-5 water restrictions (see page 46). Installing a water filter packaging plant from the quarry to secure supply at Bellville Park. Sinking a borehole at Tygerberg, where an underground reservoir is available. Fixing leakages and replacing fittings in buildings with water-efficient equipment, such as special showerheads. Executing our Drought Response Communication Plan on water- saving to reach staff and students via MFM, newsletters, articles, posters and social media.	Chief Operating Officer

* These risks affect our systemic sustainability. For more on our actions to ensure systemic sustainability, please see the Report of the Chief Operating Officer on page 44.

Our **FACULTY REPORTS**

The core business of Stellenbosch University is carried out by our ten faculties. Collectively, this core business comprises teaching and learning, research and innovation, internationalisation, and social impact.

- Our core business produces beneficial outputs as follows:
- the business of teaching and learning delivers academically qualified students equipped for the world of work;
- the business of research and innovation generates new knowledge essential for the advancement of humankind;
- the business of internationalisation enhances excellence through partnerships and intellectual capital exchange; and
- the business of social impact enables the practical two-way sharing of knowledge with society to the benefit of society and the University.

Eight of our University's ten faculties are situated on our main campus at Stellenbosch, namely AgriSciences, Arts and Social Sciences, Education, Engineering, Law, Science, Theology and the larger part of Economic and Management Sciences. The rest of the Economic and Management Sciences Faculty is situated on the Bellville Park Campus in the form of the University of Stellenbosch Business School and USB Executive Development Ltd. The last two faculties are the Faculty of Medicine and Health Sciences at the Tygerberg Campus and the Faculty of Military Science at the coastal town of Saldanha Bay. Details about these faculties may be obtained on the University's website at www.sun.ac.za.



The Faculty of AgriSciences is a key stakeholder in addressing the challenges of South African agriculture and forestry, and ensuring that the country's natural resources are utilised and managed both ethically and scientifically. We remain the top faculty for agriculture and forestry studies in Africa, and have been ranked 23rd among the BRICS countries and among the top 100 globally in the latest QS world rankings. This strengthens our resolve to continue offering quality education and applied research in agricultural sciences.

SUSTAINING OUR MOMENTUM OF EXCELLENCE

In terms of teaching excellence, we continued our focus on programme renewal in 2017 with an in-depth review of the programme offering and module content in the fields of crop production, conservation ecology, animal sciences as well as viticulture and oenology. This occurred in close collaboration with external stakeholders, including the South African agricultural sector and international collaborators and moderators. The programme renewal process is supported by the ongoing development of pedagogy and didactics led by the Faculty's blended learning coordinator, Kathryn Wirth. As a further testament to our teaching excellence, Marianne McKay from the Department of Viticulture and Oenology received a scholarship from the University's Centre for Teaching and Learning in recognition of her contributions to excellence in this field. The Department of Food Science was also ranked highest of all African departments in its field, having reached the 76-100 bracket on the Times Higher Education subject rankings.

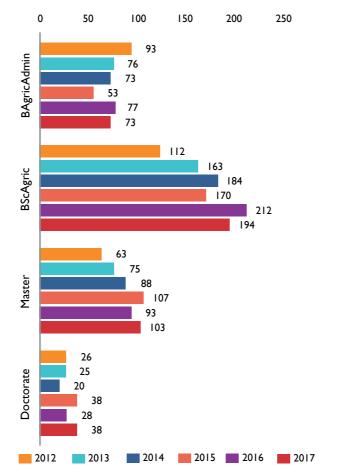
The Faculty is home to a large postgraduate student cohort. In 2017, we had 295 master's and 208 PhD candidates, while 103 master's and 38 PhD students graduated.

A number of our researchers and students garnered accolades in the year in review. For example, Prof Karen Esler was appointed as the Africa regional editor of the journal Conservation Biology. Johané Nienkemper-Swanepoel received the Helga and Wolfgang Gaul Stiftung award for outstanding research from the International Federation of Classification Societies, while the prestigious Journal of Ecology's Harper prize for the best early-career paper was awarded to Martina Treurnicht, a PhD student in Conservation Ecology. Heinrich Jantjies and Johann Boonzaaier, both PhD students in Agricultural Economics, won the International Food and Agribusiness Management Association's student case study competition. In addition, Food Science undergraduates Stephanie du Toit, Emma Phillips and Philippa Grylls respectively received gold, silver and bronze awards from the South African Association for Food Science and Technology for their submissions on packaging materials and related technologies (see photo far right).



Prof Al Perold, fırst Dean: Faculty of Agricultural Prof Danie Brink Sciences, 1918 Dean: Faculty of AgriSciences

DEGREE CERTIFICATES AWARDED



Another milestone, which put Stellenbosch University (SU) at the forefront of wheat genetic research for the benefit of the local industry, was the launch of the Plant Breeding Laboratory at Welgevallen experimental farm. The facility, a result of efforts by the Department of Genetics, forms part of the national Wheat Breeding Platform, which aims to develop new seed varieties that can withstand South Africa's harsh climate, while boosting yields. (see bottom photo on right).

International events hosted by the Faculty included the International Society for Horticultural Science's conference, the seventh Conference on Managing Quality in Chains, the second International Symposium on Ornamentals, and the annual Regional Network of Agricultural Policy Research Institutes (ReNAPRI) stakeholder conference.

BROADENING ACCESS

Providing the broadest possible access to a diverse pool of students and staff remains a priority. In 2017, we further boosted academic staff diversity with two appointments supported by the National Research Foundation's nGAP initiative, and also achieved student diversity enrolment targets. Diversity was further enhanced with an increased female postgraduate cohort (now at 52% of the total) and a stronger student contingent from other African countries (8% of total).

The AgriSciences enrolment plan focuses on expanding diversity and improving students' academic profile. Combined with academic student support in the form of monitoring and tutoring, this is aimed at increasing student success and throughput rates into postgraduate studies. Another key contributor to whetting school learners' appetite for agriculture studies is the AgriSciences@Maties programme and the SU Centre for Student Recruitment's efforts.

In terms of student funding, the merit bursary programme registered its first three learners from Western Cape agriculture schools. Assisted by various agricultural industries, we could also expand our student financial support with another 48 undergraduate bursaries.

ENHANCING OUR SOCIAL IMPACT

Committed to finding solutions to the development challenges of the country and continent, we established a Social Impact Committee, which now links our research activities and outcomes to the actual needs of the community, including smallholder farmers. In maintaining strong ties with key industry stakeholders, the Agro-Hub at Welgevallen now hosts leading industry partners such as Hortgro Science, Citrus Research International, AgriSA and Agricolleges International. This enhances the Faculty's applied research focus and enables valuable outputs for agricultural enterprises.

Further afield, we continued our participation in the Regional Universities Forum for Capacity Building in Agriculture (RUFORUM), while a number of staff members served on the management structures of national and global academic associations. The latest addition in this regard being Dr Lynn Hoffman, who was elected vice-president of Ornamentals South Africa.

LOOKING FORWARD

In the period ahead, mitigating the agricultural impact of the prevailing drought and building future resilience will be a significant focus for our researchers. To this end, the master's programme on sustainable agriculture will be expanded to include resource management, which will be extended to PhD level. AgriSciences will be adopting a broader engagement strategy, including capacity-building and research in support of agriculture development on the continent. Student mobility and staff development, especially early-career support, will be a priority. In addition, we will also seek to increase our number of postdoctoral fellows, which stood at 48 in 2017, as well as our industry-sponsored research associates.







Developing seed varieties for a harsh climate Attending the inauguration of the Plant Breeding Laboratory were, from left to right, Prof Eugene Cloete (Vice-Rector: Research, Innovation and Postgraduate Studies), Science and Technology Minister Naledi Pandor and laboratory head Willem Botes.

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Faculty of **ARTS AND SOCIAL SCIENCES**

The Faculty of Arts and Social Sciences boasts a rich and diverse academic project that cuts across the arts, languages and social sciences, and encompasses all facets of society. By breaking down traditional disciplinary boundaries, we instil in our students the ability to think critically and challenge the status quo. This, we believe, enhances their employability and turns them into engaged citizens of South Africa, Africa and the world.

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SUSTAINING OUR MOMENTUM OF EXCELLENCE

With 74 National Research Foundation-rated researchers, 40 postdoctoral fellows, four research chairs and one centre of excellence, the Faculty is a leader in academic and research excellence. This was sustained in 2017, having conferred 1 592 qualifications, including 288 honours, 193 master's and 57 doctoral degrees, and increased our research output by a solid 43%

Prof Lydia van Niekerk, professor of Dutch 1922, first female professor to be abbointed to the University | Sciences

Prof Anthony Leysens Dean: Faculty of Arts and Social

ARTS AND SOCIAL SCIENCES RESEARCH OUTPUT AVERAGES, 2015–2016							
Year	Books	Book chapters	Journal articles	International conference papers	National conference papers	Total	
2015	5,2	11,8	196,1	2,9	Ι,Ο	216,8	
2016*	72,5	73,0	248,1	3,0	1,4	398, I	

* 2017 results will be audited in 2018.

Some exceptional staff achievements further cemented our stature in the academic and research community. Prof Lambert Engelbrecht (Social Work) was awarded the prestigious Stals prize by the Suid-Afrikaanse Akademie vir Wetenskap en Kuns for his contribution to his discipline. Profs Grace Musila (English) and Leslie Swartz (Psychology) each received a Chancellor's research excellence award, while Prof Swartz along with Profs Ashraf Kagee and Mark Tomlinson were also granted membership of the Academy of Science of South Africa (ASSAf).

Our excellent international reputation was also evident from various special projects involving our staff and students. These included the Music Department's partnership with the University of Leeds, United Kingdom, in hosting the symposium "Out of the Shadows: Rediscovering Jewish Music and Theatre". The SU Chamber Choir was selected to take part in the Hong Kong Choir Festival as the featured choir-in-residence, where they enthralled audiences. Another highlight was the Choral Division's ongoing relationship with Ludwig Maximilian University, Munich, which led to colloquiums by visiting professors and international student exchanges.

Further initiatives set to sustain excellence going forward include the Faculty's research hub initiated in the reporting year, the existing teaching and learning hub, as well as the Faculty's internationalisation strategy with its distinct focus on increasing our African footprint.

BROADENING ACCESS

In 2017, the Faculty continued its activities to broaden access for a more diverse group of students and staff.

Designated groups accounted for 46,3% of undergraduates and 44% of postgraduates. At the same time, research conducted this past year confirmed skills gaps relating to matric performance, gender and socio-economic status in the Faculty's increasingly diverse student body. Therefore, to ensure access with success, academic support initiatives such as reading, writing and thinking skills development will be intensified in the period ahead.

But whilst student diversity and our administrative staff diversity is improving (the latter from 55% in 2016 to 62%), our academic staff diversity profile remains a challenge (up LOOKING FORWARD from 21% in 2016 to 22%). We continued our efforts to proactively recruit promising diversity candidates from A major immediate challenge remains the Faculty's systemic outside, as well as from our own ranks. To build our own sustainability. The next year will see a significant overhaul of pipeline of candidates, a policy has been established to our academic offering, and innovative thinking about how identify potential future academics from among third-year to incorporate new knowledge markets. At the same time, undergraduates, and encourage them to continue studying our academic project should respond to the need to be a up to at least master's level. Another opportunity to identify globally relevant, flexible and innovative destination of choice. and mentor potential diversity academics is the appointment We welcome this unique opportunity to embark on a of postdoctoral fellows.

In a bid to broaden access to collaborative research on the continent, we remained active as a member of the PANGeA network of African humanities faculties. This network has now expanded its activities to include research collaboration. joint supervision, as well as the early-career fellowship programme PANGeA-Ed.

ENHANCING OUR SOCIAL IMPACT

Social impact is integral to our teaching and learning, and embedded in our academic project.

In the Social Work Department, for example, 300 students are annually placed for practice education (service learning) at approximately 40 welfare organisations, supervised by some 55 social workers. The Psychology Department, in turn, has developed various projects in economically disadvantaged communities in the broader Winelands. Our Visual Arts Department offers an MA in Art Education focusing on sustainability and critical citizenship, while undergraduate design courses include environmentally sustainable and socially conscious design practices. The applied-theatre projects of the Drama Department promote accessible, high-impact performances.

Social impact projects in the Music Department have taken music to areas such as Cloetesville, Idas Valley, Kayamandi, Kylemore and Vlottenburg. The Department's Nightingale Project takes recitals to frail-care and old-age homes in surrounding communities, while the Canticum Novum student choir often performs in rural communities. In addition, departmental ensembles and the Endler concert series have a longstanding track record of making music accessible to a wider audience.

In terms of more direct academic contributions to society. the History Department was awarded a RI4 million AW Mellon Foundation grant for the research project Biography of an Uncharted People. This project helps tell the previously untold stories of those historically excluded from the South African narrative. In addition, one of the first graduates of the Faculty's Centre for Regional and Urban Innovation and Statistical Exploration (CRUISE), Mr Risenga Maluleke, was appointed South Africa's new Statistician-General and Statistics South Africa head. Beyond national borders, Philosophy Professor Johan Hattingh was instrumental in formulating the Declaration of Ethical Principles in Relation to Climate Change that UNESCO adopted at its 39th session in Paris, France. Prof Hattingh served as president of the 24-member expert group tasked with compiling the first drafts.

renewal project with the aim of being the first-choice humanities faculty in South Africa, while further raising our profile on the continent and further afield.



Prestigious Stals prize Prof Lambert Engelbrecht (middle), chair of the Social Work Department, receives the Stals prize for social work from Prof Wessel Pienaar, chairman of the Suid-Afrikaanse Akademie vir Wetenskap en Kuns (left), with Arts and Social Sciences Dean Prof Anthony Leysens looking on. Photo: Anton Jordaan, SCPS.



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Faculty of **ECONOMIC AND MANAGEMENT SCIENCES**

The Faculty of Economic and Management Sciences is an innovative, values-based faculty with significant social impact through academic excellence. In 2017, the Faculty continued to play its part to give effect to Stellenbosch University's Institutional Intent and Strategy 2013-2018 by sustaining excellence, broadening access and enhancing social impact.

SUSTAINING OUR MOMENTUM OF EXCELLENCE

Our aspiration to maintain our momentum of excellence is supported by an excellent programme offering that attracts diverse students from across South Africa, Africa and the world.Approximately I 556 new first-years registered at the beginning of 2017.The Faculty had 9 007 enrolments in total, of whom 5 181 (59,3%) were undergraduates. In December, we awarded I 664 diplomas and degrees; the highest for an end-of-year ceremony to date; of which 181 had been obtained cum laude. Including the March 2018 cermonies, altogether 3 238 qualifications were awarded in 2017.

Numerous projects contributed to our increased student success. These include a module mentoring programme aimed at first-year modules, as well as tutoring. Now in its second year, our holistic development co-curricular programme for top undergraduates, OPTIMUS, also accepted another cohort of 32 students. Innovative teaching approaches, such as the flipped classroom, are utilised along with learning technology applications in order to facilitate blended learning in large classes and rejuvenate the classroom experience. Moreover, our lecturers remain at the forefront of teaching-and-learning innovation by attending teaching seminars, short courses in information and communications technology, and various training opportunities. Together, these initiatives yielded an average undergraduate module pass rate of 82,6%.

At postgraduate level, we are particularly proud of our number of PhD enrolments, which grew to 156, while we awarded 33 PhDs for the year. The Graduate School for Economic and Management Sciences (GEM) for full-time doctoral students, which helps shorten the average time taken to complete a PhD, served 29 students, while 19 young academics formed part of STEM, the staff version of the Graduate School. STEM is set to significantly increase the number of staff who holds a PhD, which currently stands at 36,1%.

Our number of researchers with a National Research Foundation rating totalled 36. In addition, our research output per academic staff member reached a record high of 0,59, despite the staff complement having almost doubled over the past decade.



Prof P Serton, first Dean: Faculty of Commerce, 1926–1930

n: Prof Johan Malan ee, Acting Dean: Faculty of Economic and Management Sciences

Further attesting to our sustained excellence, our Business School retained its triple-crown accreditation, while our Department of Industrial Psychology received Health Professions Council reaccreditation for the training of psychometrists and industrial psychologists.

Following extensive refurbishments and additions to the fire-damaged Van der Sterr building, we were delighted to start the 2017 academic year with significantly improved facilities to underpin ongoing excellence. We also managed to maintain our income stream from subsidies, tuition fees and third-stream funding. Moreover, our student numbers contributed to a cost-effective lecturer-to-student ratio, which stood at 26,1 full-time equivalent students per academic staff member for the year in review.

BROADENING ACCESS

Regarding the broadening of access, 35,5% of our entire student body and 26,3% of undergraduates were from the black African, coloured, Indian and Asian (BCIA) groups in the year in review. We aim to increase the undergraduate figure to 38,9% by 2020 through a comprehensive range of faculty projects. These include the Project Zero bursaries, the student ambassador project, focused recruitment, as well as expanding the parallel-medium language offering, which enables students to study in the language of their choice and supports multilingualism as an asset.

In 2017, significant progress was made towards making

Project Zero more sustainable by entering into new agreements, such as with the BANKSETA, to further enhance accessibility. The highly successful Thuthuka programme, which develops chartered accountants from the designated groups, celebrated its tenth birthday and continues to garner support. In addition, the Business School presented four of their academic programmes via a blended learning platform, which allowed students from across the globe to gain access.

Further bolstering access, 40% of the student fees payable in the Faculty were covered by various loans and bursaries.

Yet progress with increasing the diversity of the Faculty's academic staff is slow. In 2017, 16% of the academic staff and 48% of the executive and non-academic staff complement were from the BCIA groups. Recruiting and retaining BCIA academics from the designated groups for the respective specialised subject areas remain a major challenge.

ENHANCING OUR SOCIAL IMPACT

We continued to strengthen our social impact through our scholarly activities.

Professor Pregala Pillay, our vice-dean for social impact and transformation, and director of the University's Anti-Corruption Centre for Education and Research (ACCERUS), was appointed as incumbent of the South African Institute of Chartered Accountants Chair in Anti-Corruption Studies. Along with the Chair in Economic and Social Policy Studies, which has been renewed for another five years, and the newly created Centre for Competition Law and Economics, this will see us contribute to sound business practices and corporate governance in the country.

Moreover, the Department of Logistics has signed a longterm agreement with STC Group Holdings to establish a training academy specific to harbours, logistics and transport. Our Department of Statistics and Actuarial Science also further strengthened its collaboration with Schroders for conducting research and presenting symposia.

Further social impact activities included the Department of Industrial Psychology's career guidance services to nearby schools, leadership development for school principals, and skills development for doctors in training. The School for Public Leadership, in turn, served the public sector with an excellent research output and a number of short courses, while the Business School's Small Business Academy contributed to the upskilling of black entrepreneurs in Cape Town and Aliwal North.

From a sustainability perspective, the fire in the Van der Sterr building in 2015 has led to the enlargement and refurbishment of the Van der Sterr building, with a big new lecture hall complex with four lecture rooms erected in the quad of the Van der Sterr building being added to our physical resources in 2017. Pressure on the available space is, however, also experienced at the Bellville Park campus and plans are afoot to expand the lecture hall capacity and to enlarge and modernise the learning and living areas.

LOOKING FORWARD

We are optimistic about having a substantial impact on quality teaching, research and the community in the run-up to the Faculty's centenary in the next decade. Immediate priorities will be ongoing programme renewal and the implementation of flexible assessment from 2018 onwards, which will do away with minimum predicate marks as a requirement for admission to exams. In addition, plans are afoot to address space constraints at Bellville Park campus. Finally, expanding our third-stream income will remain an important focus to ensure sustainability in the longer term.



Shaping the future The Department of Industrial Psychology students busy with career counselling in Cloetesville, Stellenbosch.



Partnerships make a difference with bursaries Thuthuka bursary recipients attending its ten-year anniversary celebrations.



Project Zero Prof Stan Du Plessis in discussion with members of Project Zero, a bursary initiative that aims to reduce the cost of studying to zero for talented students.



The Faculty of Education prides itself on its quality, contemplative teaching and learning programmes. What truly distinguishes the Faculty, however, is its commitment to research that not only takes account of a widely disparate socio-political landscape, but also engages with various voices and remains open to new and reconsidered views. This ultimately ensures that, as scholars, we remain attuned and responsive to the needs of society.

SUSTAINING OUR MOMENTUM OF EXCELLENCE

The reporting year again saw exceptional educational research conducted, with a strong focus on social justice education in line with the University's social justice theme. Our research outputs grew in both quantity and quality. These included 83 articles in peer-reviewed journals and a total of 29 books and book chapter contributions to internationally published manuscripts. Our National Research Foundation-rated researcher cohort increased to 16 scholars in 2017, which has strengthened our reputation as a leading research-driven education faculty.

Attracting, retaining and rewarding exceptional staff is essential in sustaining excellence. In 2017, we welcomed the public intellectual and former University of the Free State vice-chancellor, Prof Jonathan Jansen, in our midst. As a distinguished professor in the Faculty, this A-rated scientist teaches and researches school governance, management, leadership and policy, while also serving as a mentor to postgraduates. In addition, the Faculty yielded two recipients of Chancellor's awards - Professor Lesley le Grange for his contributions to curriculum renewal, and Stellenbosch University Centre for Pedagogy (SUNCEP) director Dr Trevor van Louw for having established SUNCEP as a leader in educational development.

The Faculty also continues to deliver high-calibre graduates. In late 2017, for example, barely a month after receiving two Rector's awards, education student MK Nompumza was awarded a prestigious Mandela Rhodes scholarship. In addition, our honours (179), master's (38) and doctoral (14) throughputs remained consistent, with 231 gualifications conferred at these levels. Moreover, the Faculty awarded 194 professional BEd gualifications and 188 Postgraduate Certificates of Education.

BROADENING ACCESS

As a faculty, we remain mindful of our responsibility to promote social justice through education. In this regard, we are sensitive to the need for accessible, relevant programmes; programmes that speak to every student who enters or



Prof GG Cillié, first Dean:

Prof Yusef Waghid Faculty of Education, 1927 | Acting Dean: Faculty of Education

wishes to enter our doors from across South Africa, Africa and elsewhere. For this reason, the Faculty's offering aims to reimagine education and broaden horizons - going beyond technicist notions of teacher training, adopting new modes of instruction and improving access for a more diverse pool of students.

One way of achieving this is by expanding our offering to include integrated e-learning. In this regard, 2017 was the first year of implementing our flexible BEd Honours programme through a blended-learning approach. The programme managed to reach students who might otherwise never have had the opportunity to enrol at Stellenbosch University (SU). The lessons learnt will now be applied in the years ahead to ensure the right balance between technological attachment, personal autonomy and social engagement. Further aiding access to the broadest possible student cohort, our PhD and master's enrolments are specifically favourable to African students.

Broadening access to SU more generally, SUNCEP continued to play a leading role, particularly through its SciMathUS and Hope@Maties university preparation programmes. In 2017, 41 former SciMathUS and 92 former Hope@Maties students graduated from SU. Between December 2005 and March 2018, SciMathUS alone yielded more than 200 SU graduates. Of these, 45 obtained second qualifications (degrees or diplomas) at SU, and more than ten a third qualification.

ENHANCING OUR SOCIAL IMPACT

Ultimately, SU Faculty of Education graduates should be critical In spite of our many advances and contributions, we remain thinkers, equipped to be socially responsible contributors to aware of the sustainability challenges in terms of our teacher society. These graduate attributes the Faculty seeks to instil in education programmes, especially the BEd. However, with its students from early on, leading by example. the necessary institutional support, we are confident that the envisaged review of the Faculty's programmes, research In this respect, the Faculty produced numerous opinion and infrastructural arrangements will ultimately deliver editorials and articles on topical social issues in the course greater sustainability and value.

of 2017. Contributions covered various education-related issues facing South African society today - from the value of multilingual education, achieving social change through education, and the crucial role of learning support teachers, to preparing future teachers for diversity in their classrooms, tips for learning later in life, the national reading crisis, and the risks posed by fees-free education. Having appeared in the public media, these made a constructive contribution to the national education dialogue, and further established the Faculty as a thought leader in society.

More directly equipping education students with an understanding of their transformative role as prospective educators, the Faculty hosted a Leadership in Education short course. This co-curricular course, a collaboration with SU's Frederik Van Zyl Slabbert Institute for Student Leadership Development, challenged students to think differently about education and their role as educators in society.

In a bid to improve South African school education, SUNCEP contributes to the Faculty's social impact by reaching out to existing educators through its teacher professional learning offering. In 2017, this programme broke new ground with its first video-streaming teacher training session. This enables the Faculty to reach teachers in deep rural areas, building and refreshing their teaching skills.

Our impact also extends to the global arena, where the Faculty helped build a robust knowledge base from which to address global education challenges. In March 2017, for example, more than 150 delegates from 11 countries attended the sixth Postgraduate Supervision Conference hosted by the Faculty's Centre for Higher and Adult Education. Themed "Postgraduate supervision: Spaces, journeys and new horizons", the event aimed to improve the postgraduate environment at higher learning institutions globally. A few months later, the Faculty's Research Unit for Mathematics Education (RUMEUS) organised the 18th International Conference on the Teaching of Mathematical Modelling and Applications. The event, attended by more than 130 delegates from 20 countries, was the first edition of this biennial conference to be hosted on the African continent. Here, participants were able to share best practices for mathematics teaching and learning.

LOOKING FORWARD



SciMathUS offers a second chance to qualify for tertiary education The SciMathUS programme is a university preparation programme that offers tuition in Mathematics and Physical Sciences or Accounting to educationally disadvantaged learners. After one year of tuition, learners can apply at tertiary institutions for highly selective programmes with improved marks. Since its inception in 2001, SciMathUS yielded 323 SU graduates, some with more than one qualification.



The Faculty of Engineering is one of Stellenbosch University's flagship faculties. The worldclass engineers we produce contribute to the economic development of the country and improve citizens' quality of life. In addition, our outstanding research and consulting services add value to industry, and substantially supplement our funding streams.

SUSTAINING OUR MOMENTUM OF **EXCELLENCE**

Our good reputation again secured a large first-year intake in 2017, and an excellent turnout rate. At 86%, our undergraduate pass rate broke through the 85% ceiling for the first time since 2011, which indicates the calibre of students we attract, the dedication of our teaching staff, and the quality of our programmes. For the second consecutive year, our student body also yielded the Chancellor's Medal recipient: Ms Jacqueline Kazmaier achieved an average of 89,7% over her four-year BEng (Industrial Engineering) studies, and distinctions all round (see page 99). She is the fourth female engineering student to win this coveted award since 2003.

At the postgraduate level, our research activities continue to go from strength to strength. Over the past decade, our number of postgraduate students has tripled. We are particularly proud of the increase in our number of PhDs awarded from nine in 2006 to 43 in the reporting year. This has also seen a significant increase in our publications, with our weighted research output per academic being the second highest at Stellenbosch. Furthermore, an independent study found that our students complete their master's and doctoral degrees in the shortest average time of all engineering faculties in South Africa – a noteworthy achievement to add to our teaching-and-learning record.

In terms of staff excellence, two of our academics, Profs lames Bekker and Jan van Vuuren, were honoured with Southern African Institute for Industrial Engineering awards in recognition of their contributions to industrial engineering in the region. Prof Maarten Kamper, Electric and Electronic Engineering chair, received a Chancellor's excellence award, while our academic cohort holding National Research Foundation ratings grew by another six to 43.

To underpin sustained excellence, Council approved the R723 million budget for our Engineering campus upgrade plan. This extensive project will see a complete refurbishment, upgrade and densification of our 50-year-old facilities to accommodate more students and staff in modern teaching, working and laboratory environments. In addition, our strong ties with industry have secured us third-stream income of approximately R150 million per annum, which matches our allocation from the University's main budget and is vital to ensure our financial sustainability.



Prof HL Reitz, first Dean: Faculty of

Prof Wikus van Niekerk Engineering, 1944–1948 | Dean: Faculty of Engineering

BROADENING ACCESS

We draw our students from a fairly small pool, namely top Grade 12 achievers with distinctions in Mathematics and Physical Sciences. As competition to attract the best students is fierce, we have a dedicated programme and student recruiter, also with a view to attracting top-performing black African, coloured, Indian and Asian students for greater diversity.

In 2017, for example, 12 of our existing students phoned over 100 prospective black engineering students to engage them in their mother tongue about the positive experience as a Matie engineering student. To ensure continuity and sustained support, these 12 students will also serve as "buddies" to their recruits next year, taking them under their wing and assisting them with integration. Other recruitment initiatives included a successful Engineering Winter Week, career exhibitions, school visits, drives to follow up on incomplete applications, and the strengthening of ties with bursary companies.

We constantly work to create a more welcoming environment for all. In this regard, we established a Faculty Transformation Committee, which comprises representatives from all five our departments. Similar committees will be formed in each department to advise management of suitable actions and projects to maintain a welcoming environment for staff and students from diverse backgrounds.

Creating a more accessible, user-friendly environment at a more basic level, we also opened a new, modern and spacious cafeteria, The Chalkboard. Run by a professional catering company, the facility provides meals to our growing student corps and serves as a meeting spot.

ENHANCING OUR SOCIAL IMPACT

By its very nature, our research has a direct positive impact on society. In 2017, we continued to engage with industry, solving problems for the benefit of the broader community. Some exciting new projects include a hand-held nano-electric biosensor that uses one drop of blood to diagnose cancer sooner and at a lower cost, cutting-edge tracking systems to combat rhino poaching, value adding to agricultural products and waste tyres, and research on informal-settlement fires.

We are also fast gaining a reputation for our work to conserve natural resources. A prime example is the smart water meter designed by Prof Thinus Booysen, his team from Electric and Electronic Engineering and a University spinoff, BridgloT (Bridge to the Internet of Things). This novel meter, which has been dubbed Dropula, provides consumers with detailed information on their daily water use with the explicit intention of changing user behaviour. Piloting the smart water meter at Stellenbosch Primary, the device slashed the school's daily water consumption by nearly 70%. Upon hearing of the successes at the first school on Cape Talk Radio, Shoprite piloted the technology at Hector Peterson Secondary in Wallacedene, where it again delivered a staggering drop in water consumption. In November, the #SmartWaterMeterChallenge (http://www.schoolswater. co.za/) was launched in partnership with Shoprite, Cape Talk, BridgloT, Pragma and later also the Western Cape Education Department. Corporates could sponsor a school for two intervention stages, namely plumbing maintenance followed by behavioural change. In total, 93 corporates sponsored 358 schools.

LOOKING FORWARD

With new Dean Prof Wikus van Niekerk at the helm, the Faculty is due for its five-yearly Engineering Council accreditation visit in 2018, and also plans to grow its doctoral and postdoctoral student corps. In addition, we will be extending our ties with industry to remain relevant in our teaching and research, while also opening up additional income streams. To this end, we will identify multidisciplinary flagship projects or research areas that tie in with the work of international research groups.



Students recruiting Grade 12s for engineering studies Our student recruiter, August Engelbrecht (back, far left), with the 12 students who conducted a telethon to tell Grade 12s about their positive experience as current Matie engineering students.



Smart water meter Dropula slashes water

consumption Following the success of the smart water meter pilot project at Stellenbosch Primary, Shoprite approached BridgloT to pilot the project at Hector Peterson Secondary School in Wallacedene as well. The project proved so successful that it led to the countrywide #SmartWaterMeterChallenge at schools (https://youtu.be/|-zvG0mjqP4) with corporate sponsorship. Pictured from left are Debbie Schäfer (MEC for Education in the Western Cape). Cheroline Ripunda (SU master's student and member of the BridgloT team), Mike Mavovana (head of Hector Petersen Secondary School) and Lumka Schoeman (Shoprite Corporate Social Investment).





During 2017, the Faculty of Law continued to contribute to the advancement of South Africa's constitutional democracy, the rule of law and the science of law through the sustained efforts of its excellent staff. students and collaborators.

SUSTAINING OUR MOMENTUM OF EXCELLENCE

Headed up by new Dean Prof Nicola Smit, our staff, students and graduates remain at the forefront of their disciplines.

Prof Sandra Liebenberg, incumbent of the HF Oppenheimer Chair in Human Rights Law, continued her duties as African states representative to the United Nations Committee on Economic, Social and Cultural Rights (CESCR). Prof Juanita Pienaar and Dr Mary Nel were respectively awarded institutional research and teaching excellence awards, and Prof Marius de Waal received the Chancellor's award for research. Legal Aid Clinic Manager Theo Broodryk graduated with his doctorate, while Profs Gerhard Kemp and Annika Rudman respectively received a B3 and C2 rating from the National Research Foundation (NRF). This brings our number of staff holding an LLD to 26 (84% of total staff complement), and those with an NRF rating to 14 (35% of total). Attesting to our academics' continuous career progression, two inaugural lectures were delivered and another two staff members promoted to professor in the course of the year.

To further expand our legal education and research focus, we hosted several seminars and conferences that attracted renowned scholars as guest lecturers and participants, such as Prof Christopher Yukins, Lynn David research professor in Government Procurement Law from George Washington University, and Prof Sam Amoo from the University of Namibia.

In terms of student excellence, the Faculty conferred 237 degrees, including 65 master's and 10 doctorates, during the December 2017 and March 2018 graduations for the 2017 academic year. To deliver employable, socially engaged graduates, we place special emphasis on law-in-action and internationalisation. In this regard, LLB final-year students Lerato Melato and Charissa Barden held their own in the African Human Rights Moot Court competition in Mauritius in September 2017. And a month later, our students did us proud in the LexisNexis Moot Court contest in Pretoria, where Kathleen Henning and Jodie Muller advanced to the final. Moreover, the student journal Responsa Meridiana appeared again, continuing a proud tradition that can be traced back to 1964.

Also taking care to expose our students to law in a global context, 15 of them made use of exchange opportunities and visited ten partner universities in Germany, the Netherlands and Finland.

Even our alumni continued to excel. Two of our former LLB students, Letlhogonolo Mokgoroane (2013) and Jenalee



Prof Henry Fagan, Prof Nicola Smit first lecturer in Law, 1919 Dean: Faculty of Law

Harrison (2014), were awarded prestigious international scholarships for LLM studies abroad. Mokgoroane received the Sonke Health and Human Rights Fellowship to study at the University of California, and Harrison the Chevening Scholarship and funding from Cambridge Trust to study at Cambridge University.

With regard to our programme offering, the Council on Higher Education (CHE) provisionally accredited our LLB programme, and we are confident that full accreditation will follow in 2018. Mindful that an excellent law programme offering requires continued renewal and quality assurance, the Faculty has embarked on a programme renewal exercise, which will take cognisance of the findings of the CHE national report on the LLB. Our new LLM in Labour Law and LLM in Alternative Dispute Resolution were also approved.

BROADENING ACCESS

As a comparatively small faculty, financial sustainability is a key concern, and we remain dependent on the third (commercial) and fourth (philanthropic donations) income streams. In this regard, we are tremendously grateful towards our loyal alumni who continue to support the Dean's Fund and the Law Faculty Trust to help us broaden access.

The year in review saw sustained progress in diversifying our student body, with individuals from designated groups now accounting for 37,4% of undergraduates and 26,1% of postgraduates. The Faculty was able to provide 16 postgraduate bursaries through the Dean's Fund to postgraduate students from the black African, coloured,

Indian and Asian groups. SU recruitment bursaries were awarded to 49 first-time entering first-year students from the designated groups. The focus on increasing diversity will continue in the year ahead, as will efforts to broaden access for the learn-and-earn market with targeted short programmes.

Attracting staff from the designated groups also remains a priority, regardless of our low staff turnover and the financial confines to creating new positions. In 2017, we motivated successfully for an nGAP position in the Department of Private Law. We also adopted an employment equity plan, the targets of which will be revised in 2018 as part of the CHE condition for accrediting our LLB programme.

ENHANCING OUR SOCIAL IMPACT

From its new, more accessible address in Crozier Street, our Legal Aid Clinic continues to offer legal and education services to lower-income consumers. Its involvement in ground-breaking litigation such as the Constitutional Court ruling that established the unlawfulness of certain conditions attached to emoluments attachment orders, is the type of high-impact initiative that changes lives.

Our African Procurement Law Unit, in turn, collaborated with the Konrad Adenauer Stiftung and the Office of the Public Protector to train investigators of the Public Protector's office, strengthening their capacity to pursue good public governance.

Contributing to the national dialogue, we hosted esteemed speakers such as Judge Mahomed Navsa from the Supreme Court of Appeal and retired Constitutional Court Judge Albie Sachs. These jurists shared their thoughts on topical issues such as human rights and the rule of law as a bulwark against corruption and maladministration, and the Constitution as an instrument of decolonisation and equality. Also making the Faculty's impact felt far beyond campus, Public Law Professor Geo Quinot was elected president of the Administrative Justice Association of South Africa (Ad|ASA), a non-profit association aimed at promoting administrative justice nationwide.

LOOKING FORWARD

Having established itself as a centre of excellence, the Faculty of Law will focus on growing its research output, master's and doctoral throughput, social impact, and student and staff diversity going forward. This will be accompanied by ongoing reflection on curricula renewal to remain at the forefront of legal education.





The Legal Aid Clinic changes lives for good

The Legal Aid Clinic puts funding form various donors to good use by serving lower-income communities with free legal advice, doing legal training, conducting research and delivering research outputs. Besides the Faculty of Law, donors include Legal Aid South Africa, the Claude Leon Foundation, the Open Society Foundation for South Africa, the Het Ian Marais Fund, the Lombardi Trust and the Attorneys Fidelity Fund. Legal Aid Clinic staff (left to right) are Mr S van der Merwe, Ms N Roode, DrT Broodryk (manager), Ms M Posthumus-Meyjes and Mr C Julius.



New professor for the Department of Mercantile Law Prof Sadulla Karjiker and his wife Nazeera at his inaugural lecture.



New professor for the Department of Public Law Prof Annika Rudman at her inaugural lecture with Prof Eugene Cloete, Vice-Rector (Research, Innovation and Postgraduate Studies) left, and Prof Nicola Smit, Dean: Faculty of Law, right.



Faculty of **MEDICINE AND HEALTH SCIENCES**

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The Faculty of Medicine and Health Sciences at Stellenbosch University (SU) aims to develop medical and health sciences professionals who will promote health, prevent disease and provide optimal healthcare and rehabilitation. Our graduates must be scientifically literate, technically and culturally competent, collaborative, ethical and compassionate. We strive to develop these competencies within an institutional culture that values diversity, inclusivity and personal development.

SUSTAINING OUR MOMENTUM OF **EXCELLENCE**

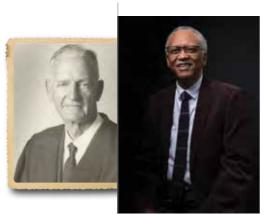
In terms of teaching and learning excellence, an unprecedented 17 MB,ChB students graduated with distinction in 2017 the most ever in the Faculty's history. At postgraduate level, our number of PhD student registrations has increased from only 62 in 2005 to around 200 at present. A record number of 38 doctoral students graduated in 2017.

Yet we are not complacent. To further improve our teaching and learning practices, we have acquired the Primal Pictures 3D medical software, which provides students and staff with interactive visuals of anatomy structures, as well as online learning materials. And with our new electronic clinical placement and curriculum mapping tool, we will be able to better plan all academic activities and efficiently manage the curriculum. In addition, our ongoing process of renewing the MB,ChB curriculum is set to deliver a more student-centred course, strongly emphasising the critical knowledge, skills and attitudes to cope with 21st-century challenges and provide for the needs of the South African health system. At the same time, our new curriculum will provide an opportunity to introduce graduate entry programmes and intercalated postgraduate degrees.

Rated as one of the top three health sciences faculties in Africa, we also conduct cutting-edge research in partnership with an extensive network of international and local partners. We produce the highest number of publication units of all SU faculties, and around 25% of all journal articles at the University. In addition, six of the top 20 SU postdoctoral researchers in 2017 were from our ranks.

However, dedicated research time for clinicians remains a challenge in the context of fiscal austerity. To help address this, we have established a faculty PhD bursary targetted at clinician-researchers, and also provide access to clinical research mentorship. A major step forward in terms of renewing and expanding our research facilities is the new biomedical research facility estimated to be completed by 2022 which will cost R977 million.

Our staff once again attained a number of outstanding achievements. Prof Soraya Seedat, a distinguished professor and executive head of the Department of Psychiatry, received a Chancellor's award for research excellence. Furthermore, Prof André van der Merwe and a team of



Prof Francie van Zijl, | Prof Jimmy Volmink first Dean: Faculty of

Dean: Faculty of Medicine and Medicine, 1956 Health Sciences

colleagues from the Faculty and Tygerberg Hospital, who previously performed the world's first successful penis transplant, successfully repeated the procedure in 2017.

Sustaining excellence, however, is costly. We have worked hard to diversify our funding streams and grow our thirdstream income. Yet we cannot rely on research funding alone. Therefore, we are collaborating with the Division for Development and Alumni Relations to develop a tailor-made faculty advancement strategy. Priorities include providing funding for student loans, endowed chairs and research infrastructure. Expansion of our short-course and continuous professional development offerings has further boosted our income streams.

BROADENING ACCESS

To ensure a welcoming environment for all, the Dean's Advisory Committee on Transformation in 2017 broadened its membership and initiated consultation to develop a Faculty Transformation Charter, Also, our core values were amended to include compassion, while the preamble to the Constitution is now on prominent display on campus in Afrikaans, English and isiXhosa. This reminds us that the values enshrined in our Constitution should find expression in our workplaces and daily lives.

In our ongoing effort to ensure that no undergraduate student is excluded for financial reasons, we managed to allocate R85 million in bursaries to 1 649 students. This included a RI,4 million contribution from our Faculty Bursary and Loan Fund. Through a newly formed partnership with Standard Bank, students who would otherwise not have gualified for financial assistance due to a lack of collateral security, will now have access to loans. We have also obtained personal accident insurance, which covers various accident-related circumstances for all students, including HIV contracted through needle-stick injuries.

Our newly appointed student affairs manager, Ms Khairoonisa Foflonker, will further strengthen student support, serving as a central contact between our student support services, residence structures, co-curricular activities and academic programmes.

Efforts to diversify our student body are paying dividends, albeit at a slow pace.

ENHANCING OUR SOCIAL IMPACT

We continue to play a leading role in the field of rural health and rural health professions education. Our Ukwanda Rural Clinical School in Worcester remains a model of excellence. In 2017, we initiated the establishment of a research unit at Ukwanda to encourage more studies on rural health.

In line with our aim of remaining relevant to the needs of the continent, our annual Africa Day symposium again focused on topical issues. These included the decolonisation of education, and the importance of intergenerational dialogue to transform African universities.

Various scholarly activities in the course of the reporting year contributed to a more healthy and health-aware society. For instance, our Centre for Evidence-Based Healthcare collaborated with SU's Department of Journalism to host an international summit on guackery and pseudoscience. Here, participants warned against the dangers of quackery and debunked some pseudoscience that lands up in the media as "fake news", threatening the well-being of society. The event emphasised the need for evidence-based healthcare based on sound research, and the importance of proper public science communication in a digestible format. In other high-impact contributions, our staff and students studied insulin resistance, kidney disease, obesity, the link between gut bacteria and posttraumatic stress disorder, the need for proper hydration, the risk of malnutrition among older people, concussion injuries, and the benefits of breastfeeding.

Researchers from the FMHS were also involved in organising the first Global Evidence Summit in Cape Town. The theme of the summit was 'Using Evidence. Improving Lives' and it highlighted and promoted evidence-informed approaches for health and social policy and development.

In celebrating Mandela Day 2017, our students and staff prepared more than 1 500 sandwiches and donated 1 500 juice bottles to patients in Tygerberg Hospital, distributed another 1 000 sandwiches in Khayelitsha, and collected and distributed 607 scarves to hospital outpatients.

LOOKING FORWARD

As we proudly celebrate our achievements of 2017, we remain focused on realising the vision and mission of the Faculty and University, and vigilant regarding the potential threats and risks we face in the current uncertain financial milieu. In particular, we look forward to implementing our renewed MB,ChB programme in 2020 and seeing how our new state-of-the-art biomedical research facility take shape in the years ahead.

	10	20	30	40	50	60	70	80	90	100
2010										
	10,77	25,7	72	7,50			56,0)		
2011	11,09	25,	65	7,57			55.6	8		
2012	11,07	20,		7,37			55,6			
	12,58	26	,37	7,7	2		53,	33		
2013										
	14,57	26	,82	8,	38		50	,23		
2014	15,88	28,	08		9,24		4	6,79		
2015	,	,			.,		-	-,		
	16,55		29,5	7	9,77		4	4,10		
2016										
	17,77		30,4	44	10,1	2		41,67		
2017	19,37		31	,38	10	.19		39,06		
	19,37		31	,38	10	,19		39,06)	

UNDERGRADUATE STUDENT DIVERSITY

	10	20	30	40	50	60	70	80	90	100
2010										
	23,40)	3	0,12	6	,47		40,0	I	
2011										
	23,7	7	26	6,67	6,7	76		42,80		
2012										
	25,1	2	2	5,79	5,9	96		43,13		
2013										
	27,9	96	2	23,48	6,	81		41,75		
2014										
	29,	64		25,5	3	6,29		38,54	4	
2015										
	33	3,77		23,	41	6,12		36,6	59	
2016										
	3	5,92		20	,94	6,25		36,9	90	
2017										
	3	4,91		21,	,29	6,37		37,4	4	
	Black	ĸ		Colou	red		Indiar and A		V	Vhite

POSTGRADUATE STUDENT DIVERSITY

Faculty of MILITARY SCIENCE

Located in the South African Military Academy overlooking Saldanha Bay, the Faculty of Military Science strives to be a leader in its field. We closely collaborate with the Department of Defence to deliver soldiers with the knowledge and character demanded by the 21st-century security context, serving their country in the National Defence Force and the security cluster.

SUSTAINING OUR MOMENTUM OF EXCELLENCE

The working relationship between the Faculty and the Department of Defence was reinforced in the course of 2017 with the signing of a revised memorandum of agreement. The new agreement includes clarification of the higher education services we provide, as well as measures to create a learning environment where both students and staff can flourish. This strong collaborative basis saw the Military Academy climb the global rankings to seventh best military academy in the world.

With six undergraduate, nine BMil Honours and seven master's programmes as well as the PhD in Military Science, we are an academic home of excellence to many. At the start of 2017, we welcomed another cohort of 79 first-year learners from all arms of service at an official parade.

In terms of senior students, we awarded 94 degrees in the reporting year. Five of these had been obtained cum laude, and 24 degrees were conferred at the postgraduate level. Candidate Officer RM Mahlangu received the 2017 sword of honour, which is awarded to a student who serves as outstanding scholar and disciplined soldier over the threeyear BMil programme (see middle photograph far fight).

In the field of staff excellence, Associate Professor Abel Esterhuyse attained a prestigious National Research Foundation rating, while Cdr HAP Smith graduated with a PhD in Geography from Stellenbosch University. Our scholarship was boosted when three new research fellows -Drs Juliette Koning (Oxford Brookes Business School), Math Noortmann (Centre for Trust, Peace and Social Relations, Coventry University) and Christian Bueger (Cardiff University) - joined the ranks of the Security Institute for Governance and Leadership in Africa (SIGLA). In addition, having been appointed extraordinary associate professor to SIGLA in 2016, Professor Thomas Mandrup joined us from March 2017.

Some six months later. Profs Mandrup and Francois Vrev. SIGLA coordinator, co-edited the book The African Standby Force, Quo Vadis? Further boosting our research output, Maj David Katz authored the book South Africans versus Rommel: The untold story of the Desert War in World War II, while Dr Ntsikelelo Breakfast, senior lecturer in military political science, published the opinion piece "The defence force an essential part of society in SA" in The Herald.

Living up to our international reputation of excellence, we collaborated with the Royal Danish Defence College to host the fifth biennial Conference on Strategic Theory in Addis



Col Pieter de Vos, first Dean: Prof Sam Tshehla Faculty of Military Science 1950 | Dean: Faculty of Military Science

Ababa, Ethiopia. The event, which was themed "Africa's Security Triad: From Leadership to Landward and Maritime Security Governance", highlighted the interplay of leadership and security governance on the African continent and its surrounding seas, and featured prominent African Union role-players.

Finally, the Military Academy class of 1967 celebrated their 50-year reunion. The group includes respected military leaders of the calibre of Vice-Admiral Johan Retief, former chief of the South African Navy. Their celebrations served to underline that with each student who successfully graduates, our mission to provide excellent education to future military leaders is fulfilled.

BROADENING ACCESS

To help broaden access to higher education for all, our academic partnership with the SA National Defence Force (SANDF) through the MPhil in Security Management offers senior officers of the Department of Defence and senior managers in the security cluster access to further training and, consequently, better career prospects. The programme is the most senior officer's course of the SANDF, and successful members are usually promoted to the military rank of brigadier general in line with international and African military trends. One student graduated from this MPhil programme in 2017. In addition, the new BMil in Defence Intelligence and the Postgraduate Diploma in Defence Studies, both set to commence in 2019, will not only offer opportunities to further transform our staff corps, but will also increase our capacity to accommodate more students.

ENHANCING OUR SOCIAL IMPACT

In today's world, military organisations need to do more than just train troops and commanders – graduates should also be sensitive to social needs. Through the Trans Enduro Exercise, young officers' physical endurance and leadership skills are tested, while they are also sensitised to the practicalities of community service. For the 2017 event, students again travelled from Port Elizabeth to Saldanha over a period of ten days. Along the way, they took part in endurance exercises on land and at sea, while also performing community service, such as cleaning children's and old-age homes and painting school buildings. In the process, they raised funds for Maties Community Service and MASIZA, the Military Academy's community service organisation.

Contributing to society more broadly, SIGLA partnered with the American Embassy's Defence Threat Reduction Agency (DTRA) and Naval Criminal Investigative Service (NCIS) to present the first International Workshop on Combating Maritime Threats off Africa. The workshop, which took place in Stellenbosch in May, aimed to strengthen collaboration to mitigate maritime threats, and was the first in a planned biennial series on addressing transnational security issues.

Finally, seven candidates who studied via the interactive telematic education platform, obtained the BMil degree in 2017. The year under review saw 259 students registered for BMil degrees via this platform.

LOOKING FORWARD

In the period ahead, negotiations to further expand and transform our staff corps in line with both Stellenbosch University and Department of Defence policies will continue. This should ultimately enable greater capacity to serve more students, including on the interactive telematic education platform for web-based learning.

The two new programmes that will commence in 2019 offer an ideal opportunity in this regard and are estimated to increase our academic corps by an additional 15 positions.





50-year reunion celebration Seen here is the SU class of 1967. This group also known as MA 67, celebrated their 50-year reunion in 2017. In the middle of the group is SU alumnus and former Chief of the South African Navy, Vice-Admiral, Johan Retief.



Award for outstanding scholar and disciplined soldier General Solly Shoke, Defence Force chief, awarding the sword of honour to Candidate Officer RM Mahlangu.





The Faculty of Science is committed to providing a general formative education in the natural sciences, solidly grounded in mathematics, physics, chemistry and biology. This foundation is essential to prepare our graduates for the demands of the workplace against the backdrop of the Fourth Industrial Revolution. Moreover, as a respected knowledge partner, the Faculty actively helps develop society through high-impact research and collaborations with industry.

SUSTAINING OUR MOMENTUM OF **EXCELLENCE**

Undergraduate student numbers have grown by 6% over the past five years. Of the 2017 first-year intake, 88% were top achievers with an average Grade 12 mark of 70% and higher. including an increased share of black African, coloured, Indian and Asian (BCIA) students. The percentage of undergraduates who complete their degrees within the normal duration plus two years remains below the University average. However, the average module pass rate is improving, having increased from 77% in 2008 to 83% in 2017. Going forward, the Faculty faces important strategic decisions regarding its undergraduate curricula in a transforming higher education context, and the Earth Sciences programme is the first to undergo extensive renewal.

Postgraduate enrolments in the Faculty increased by 16% over the period 2013-2017, and by an astonishing 34% for PhD students alone. Postgraduate output rates also remained high, with 139 MSc and 54 PhD degrees awarded in 2017.

The Faculty prides itself on its research excellence. Altogether 73% of its researchers hold National Research Foundation (NRF) ratings, and it is home to 11 research chairs and four centres of excellence. In this regard, the reporting year saw Prof Bubacarr Bah, previously from the University of Texas, joining the Faculty as incumbent of the Humboldt Chair in Big Data Analysis at the African Institute for Mathematical Sciences. His official association with the Department of Mathematical Sciences will strengthen the new inter-faculty Centre for Bioinformatics and Computational Biology.

Awards abounded in recognition of Faculty staff and students' sustained excellence. Prof Harald Pasch received the South African Chemical Institute's gold medal, Prof Hendrik Geyer was awarded the Havenga prize for physical sciences by the Suid-Afrikaanse Akademie vir Wetenskap en Kuns, and Prof Len Barbour received the Chancellor's research excellence award. Prof Resia Pretorius finished second in the Department of Science and Technology (DST) annual awards for distinguished women scientists in natural sciences and engineering. In terms of student excellence, Sunel de Kock received the S²A³ (Southern African Society for the Advancement of Science) medal for the best MSc student in natural sciences at Stellenbosch University (SU) in 2017, while Jana Botha was awarded the Dean's medal for continuous excellent performance. Nonkululeko Radebe won the Borealis poster award at an international conference on polymer analysis and characterisation, and Megan Mitchell the Wyndham award for the best oral presentation at the



Dr Duthie, Prof Louise Warnich first lecturer in Botany, 1902 | Dean: Faculty of Science

Physiology Society of Southern Africa annual conference. In addition, PhD students Therina du Toit and Carol Mahachi each received a L'Oréal-UNESCO regional fellowship for sub-Saharan African women scientists.

Yet excellent teaching and research require expensive facilities and equipment. And while the Faculty's income has increased by 24,5% over the past five years, costs have increased by 32,3%. Of particular concern is the decline in statutory income, including NRF grants. A part-time appointment has therefore been made to source additional funding for bursaries and equipment.

BROADENING ACCESS

The Faculty met its diversity target for 2017, but enhancing its diversity profile remains a key strategic aim. The undergraduate diversity profile remains low, even though BCIA students have increased by 20% since 2013. In terms of gender diversity, 58% of undergraduate students are female. To accelerate diversity improvements, a newly appointed marketing and recruitment officer will be working with the Centre for Student Recruitment.

At postgraduate level, the diversity profile has increased by 13% since 2013, with BCIA students representing nearly 40% (285) of our total postgraduate cohort in 2017. The challenge remains to maintain a sufficient flow of postgraduates at all levels to reach our target of graduating 60 PhD students per year. Securing postgraduate bursaries is therefore a strategic goal.

In terms of staff diversity, BCIA staff account for 51% of the non-academic staff complement, but only 21% of academic staff. Meeting our targets in this regard remains challenging due to the scarcity of candidates with a PhD in scientific disciplines. The most significant funding source for addressing staff diversity is the Department of Higher Education and Training's nGAP programme, which awarded the Faculty a third position in 2017, in the Department of Mathematical Sciences.

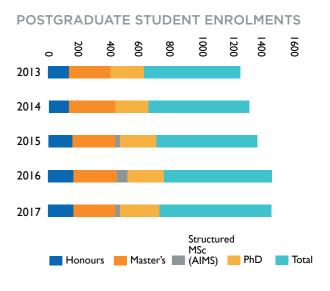
ENHANCING OUR SOCIAL IMPACT

Determined to practise science for society, the Faculty presented 50 posters to over 100 industry players and alumni at its first research showcase. This initiative of the Faculty's advisory board promotes collaboration and enhances the visibility of our research.

Our scientists and students continued with relevant research for the betterment of society. Prof Brian van Wilgen from the DST/NRF Centre of Excellence for Invasion Biology was lead author of a status report on biological invasions in South Africa. The report is the most comprehensive study of this problem to date. Researchers from the Department of Botany and Zoology, in turn, devised the Sharksafe barrier as a cost-effective, environmentally friendly alternative to conventional anti-shark devices, and took second place in the South African Innovation Summit's Pitching Den. Against the backdrop of the Western Cape water crisis, a group of Chemistry postgraduates made the headlines with their innovative measures to save up to 3 000 litres of water per week in their laboratory. Equally concerned about the drought, postgraduates from the Department of Earth Sciences raised nearly R150 000 through crowd funding to research the sustainability of South Africa's groundwater resources.

LOOKING FORWARD

The Faculty looks forward to the University's 2018 Centenary commemoration as an opportunity to reflect and reposition. However, scientific excellence, social relevance and futurefit, hands-on student training will always remain part of our ethos.





Crowd-funded study on the sustainability of South Africa's groundwater sources Earth Sciences students who crowd-funded their study, are from the left, MSc student Jared van Rooyen and fellow BScHons students Yaa Agyare-Dwomoh and Zita Harilall with their supervisor, Dr Jodie Miller (back). Photo: Stefan Els



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The Faculty of Theology seeks to help build a society in which peace, justice and compassion are natural conditions. This is an increasingly urgent calling, considering the wave of "education desperation" that is threatening to overwhelm the tertiary sector, and extreme financial and political pressure on academic infrastructure.

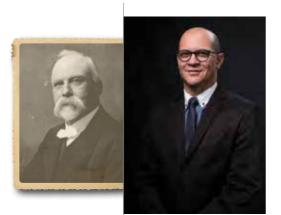
SUSTAINING OUR MOMENTUM OF EXCELLENCE

In the reporting year, our reputation of excellence was reaffirmed by our ranking among the world's top 100 theological institutions in the QS World University Rankings. We have reached this level of excellence through the work and achievements of our talented staff and students.

Theology staff members received various accolades. Emeritus Distinguished Professor Dirkie Smit was appointed incumbent of the Rimmer and Ruth de Vries Chair for Reformed Theologies of Mission and Public Life at Princeton Theological Seminary, United States. This recognises his remarkable career as international researcher, teacher and church leader. Prof Nadine Bowers-du Toit was elected chair of the Society of Practical Theology in South Africa, Prof Juliana Claassens received the American Catholic Publishing Association's highest accolade for a monograph, while Dr Nadia Marais won the World Communion of Reformed Churches' Lombard prize. In December, Prof Elna Mouton ended her distinguished academic career on a high note when she received the University's prestigious Chancellor's award. A true pioneer, Mouton's achievements include being the first female to have headed up a theology faculty in South Africa.

Our students also attained outstanding achievements. A total of 121 qualifications were conferred, including 47 at master's and 18 at doctoral level. Attesting to the relevance of our teaching and learning, PhD students Didier Kasongo (Practical Theology) and Marthie Momberg (Systematic Theology) produced topical articles based on their respective theses, which were well received in the popular media. In addition, our Christian Sadie was among the medallists at the 2017 Swimming Paralympics in Mexico.

As a respected contributor to the local and international field of theology, the Faculty again hosted a number of conferences and events. These included the annual conferences of the national societies of Practical Theology, Church History, New Testament and Systematic Theology. For our annual Theological Day, we hosted Rev Moss Nthla, general secretary of the Evangelical Alliance of South Africa, as keynote speaker. In addition, we welcomed Prof Bagele Chilisa from the University of Botswana as keynote speaker at a conference on studying theology and religion in Africa, received colleagues from the Protestant Theological University in the Netherlands for a consultation on "Justice for strangers and the right to be particular", and hosted a Reformed 500 conference with Profs Michael Welker, John de Gruchy and Allan Boesak. Our fifth annual Winter School marked the 500-year anniversary of the Reformation. Here, we reflect on the need for an ongoing reformation of the



Prof AA Moorrees, first Dean: Faculty of Theology, 1918

Prof Reggie Nel Dean: Faculty of Theology

church, society and people. Finally, the keynote speaker at the third Russel Botman memorial lecture was retired Constitutional Court Judge Zak Yacoob, who spoke on religious philosophy, practice and the Constitution.

In an attempt to secure the resources needed to support sustained excellence going forward, we have formulated a strategic action plan for financial sustainability. This includes phasing in external funding for ten positions over two decades, and targeting third-stream and fourth-stream income sources.

BROADENING ACCESS

We believe the route to excellence is diversity. Our academic staff from the designated groups stand at 33% and our administrative staff at 50%. A snapshot of our student diversity profile in 2017, along with comparative figures for the previous year, is as follows:

COMPARATIVE STUDENT DIVERSITY PROFILE, 2016–2017					
Gender Undergraduate	2016	2017			
Male	134	116			
Female	98	110			
Gender Postgraduate	2016	2017			
Male	233	225			
Female	94	68			

COMPARATIVE STUDENT PROFILE, 2016–2017							
Race Undergraduate	2016	2017					
Black African	56	41					
Coloured	118	110					
Indian and Asian	0	I					
White	58	74					
Race Postgraduate		2017					
Black African	104	99					
Coloured	73	73					
Indian and Asian	6	5					
White	144	114					
Language Undergraduate	2016	2017					
Afrikaans	103	125					
English	93	81					
lsiXhosa	16	8					
Other	20	12					
Language Postgraduate	2016	2017					
Afrikaans	4	107					
English	138	115					
lsiXhosa	13	21					
Other	62	50					

While the Faculty already is among the most diverse on campus, further improvement remains a priority. A task team has therefore been established to explore recruitment options and the offering of theology career counselling via social media. Linguistic diversity is catered for by way of a well-crafted language policy that remains sensitive to students' needs.

Further accessibility initiatives include the ongoing decolonisation of the BTh programme, visual redress of our faculty spaces, and exploratory discussions with key churches to facilitate access to first-year Theology modules for the most marginalised Western Cape communities. External funding has been secured to sustain the latter initiative in 2018 and 2019.

ENHANCING OUR SOCIAL IMPACT

Throughout 2017, our staff and students continued to have a social impact in their congregations and communities. This included service learning, preaching, environmental actions and poverty relief.

Other high-impact vehicles include our recently founded Gender Unit in the Beyers Naudé Centre for Public Theology, as well as the Ecumenical Centre for Leadership Development and Congregational Studies (Ekklesia). The former addresses gender issues by stimulating and



coordinating research and tuition both on campus and in faith communities, while the latter offers short learning programmes to various local communities.

The Faculty does not shy away from the complexities of modern-day South Africa. In this regard, Dr Dion Forster explored the deeply contested issue of forgiveness between black and white South Africans in the fifth Stellenbosch Forum lecture. In the same vein, the 2017 Institute for the Healing of Memories lecture, which we co-sponsored, reflected on contemporary events in both the United States and South Africa, and how failure to take action against injustice could imperil the future of the next seven generations.

Further strengthening our international impact, we signed an agreement with the Oxford Centre for Religion and Public Life. This could see 15 leaders of the Anglican Church in Africa and Asia completing PhDs at Stellenbosch University over the next few years.

LOOKING FORWARD

Having experienced immense growth over the past decade, we are proud of what we have achieved. At the same time, however, this has put strain on our resources. Yet with new financial sustainability measures in place and sustained academic excellence, we aim ever higher to maintain our global reputation, while remaining rooted in our African reality.



In the news Retired Constitutional Court Judge Zak Yacoob delivered the Faculty's third Russel Botman memorial lecture in October 2017.



Honorary **DEGREES**

In the reporting year, the University awarded sixteen honorary degrees - to Omar Badsha, Glenda Elizabeth Gray and Markus Reuter in December 2017, and, in commemoration of the University's Centenary, to Max du Preez, Musa Dube, Trueman Thandabantu Goba, Peter Anthony Jones, Mervyn King, Thabo Cecil Makgoba, Patrice Tlhopane Motsepe, Jannie Mouton, André Nel, Brian Percival O'Connell, Sandra Prinsloo, Imtiaz Ismail Sooliman and Christine van den Wyngaert in March 2018.









- 1. Omar Badsha was awarded the DPhil, honoris causa, as outstanding documentary photographer, activist and historian who, having chronicled the stories of ordinary people's extraordinary contributions to a democratic South African society, will
- 2. Musa W Dube was awarded the DTh, honoris causa, for having pioneered a new way of reading the Bible in pursuit of justice to fight HIV and Aids on the continent, being a prime example of socially engaged scholarship.
- 3. Max du Preez was awarded the DPhil, honoris causa, for having ushered in a new era for Afrikaans reporting through his and remaining a moral compass in our quest to safeguard our democracy.
- 4. Trueman Thandabantu Goba was awarded the DEng, honoris causa, for his exceptional contribution to establish critical taking national industry forward, and for ploughing back by showing aspiring young engineers the way to success.
- 5. Glenda Elizabeth Gray was awarded the DSc, honoris causa, for her accomplished guidance leading the South African Medical Research Council, her pioneering research to improve the lives of those with chronic diseases, her revolutionary work in search of a solution to the HIV/Aids scourge, and her social impact, harnessing science to serve society.
- 6. Peter Anthony Jones was awarded the DSc, honoris causa, for his trailblazing work advancing medical science and technology of cancer patients worldwide, and for exemplifying the innovative spirit to which every SU student should aspire.
- 7. Mervyn King was awarded the DCom, honoris causa, for his exceptional pursuit of more responsible, inclusive corporate governance, his contributions to improving corporate transparency and disclosure, his emphasis on businesses' social impact and long-term sustainability, and for serving as a role model of engaged citizenship and responsible leadership worth emulating.
- 8. Thabo Cecil Makgoba was awarded the DTh, honoris causa, for serving as a moral compass to society by espousing the values of human dignity, mutual respect, justice and enduring peace, for his deep commitment to quality education for all, and for being the voice of reason that helps society navigate turbulent times.









continue to unlock our country's past for many generations to come, equipping our youth to be engaged and critical citizens.

for all, including African women and peoples still suffering the consequences of colonisation, and for drawing on her discipline

principled, uncompromising and courageous investigative journalism, serving as a critical voice for justice in South African society,

national infrastructure, his key role in growing and transforming South African civil engineering, his service as a thought leader

globally by pioneering epigenetics and expertly translating his discoveries into clinical treatments, offering new hope for millions









14.









13.

9. Patrice Tlhopane Motsepe was awarded the DCom, honoris causa, for his exceptional entrepreneurial skill and innovative business practices, for being a model of responsible corporate citizenship, ethics and accountability, and for selflessly supporting life-changing causes in South Africa, Africa and the world, combating poverty, unemployment, illiteracy and disease.

- 10. Jannie Mouton was awarded the DCom, honoris causa, for his unparalleled vision and business sense, his resilience and perseverance, his contribution to the South African economy and society, and for unselfishly investing in quality education for current and future generations, thereby assisting his alma mater to maintain its momentum of excellence.
- 11. André E Nel was awarded the DSc, honoris causa, for his multiple high-level and consistently excellent contributions to the science of nanomedicine, allergy and immunology, which have not only advanced medical science and technology globally, but continue to have a tangible impact in ensuring a safe, healthy and environmentally-friendly world.
- 12. Brian Percival O'Connell was awarded the DEd, honoris causa, for his tireless efforts establishing his institution as one of Africa's best, his commitment to the full spectrum of education in South Africa, and his visionary leadership in the sector as a whole, ensuring that education will never again be the privilege of only a few.
- 13. Sandra Prinsloo was awarded the DPhil, honoris causa, for having made a lasting impact on local arts and culture as theatre, film and television icon, for her contribution to establishing South Africa's cultural legacy, and for using her skills to add value to the lives of vulnerable groups in society.
- 14. Markus A Reuter was awarded the DEng, honoris causa, for his outstanding contribution to the science, technology and industry of metals production, recycling and resource efficiency, and his continued commitment to equipping young engineers as the thought leaders of tomorrow who will take up the baton of securing a sustainable future for all.
- 15. Intiaz Ismail Sooliman was awarded the DSc, honoris causa, for having established Gift of the Givers as a renowned vehicle of hope and relief, for skillfully harnessing his medical training to improve disaster-stricken and vulnerable people's fate, and for his leadership in inspiring others to follow suit and serve society.
- 16. Christine van den Wyngaert was awarded the LLD, honoris causa, for her outstanding contributions to human rights and international criminal justice as a judge in international tribunals, her academic rigour producing seminal criminal law and international criminal law reference works, and for enriching Stellenbosch University's law offering through her longstanding relationship with the institution.

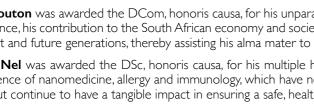
Ms Jacqueline Kazmaier, who obtained the BEng in Industrial Engineering cum laude, received Stellenbosch University's Chancellor's Medal for 2017. This was the second consecutive year that the medal was awarded to an Engineering student. Presented annually to a final-year or postgraduate student for outstanding achievements, the medal is the highest honour that the University can bestow on a student.

Ms Kazmaier, originally from Namibia, enrolled for the degree BEng in Industrial Engineering in 2014. She achieved the rare feat of passing all her modules with distinction during the four-year Engineering course and boasted the best overall average in Industrial Engineering for the last three years. Her average over the four years was 89,7%.

Being a top academic achiever, Kazmaier has been a member of the Golden Key International Honour Society - the world's premier collegiate honour society that recognises outstanding academic achievements - since 2014. Yet it has not just been about books, attending class and endless studying, she says. "You have to maintain a good balance. After my first year, when I started doing more things I enjoyed over weekends or after class, I noticed that I actually started doing better than before, so my advice to other students would be to do your hobbies as much as you do your university work," says Kazmaier.

Apart from honing her skills in photography, videography and graphic design, she was also actively involved in the management committee of Stellenbosch University's German Carnival Society (MatieKa); DASUS, a society for primarily German-speaking students that facilitates their introduction into the Matie community, as well as SU's Consulting Society. As a music lover, Kazmaier enthusiastically took part in the Sêr singing competition in 2015 and 2016. Throughout her studies, she also participated in sporting events as a member of both Maties Surfing and Maties Volleyball.

Kazmaier plans to continue her studies with an MEng in Industrial Engineering at Stellenbosch. Her postgraduate studies will include a six-month exchange to Munich.











Stellenbosch University's Chancellor's Awards recognise some of the leading academics at the institution for their sustained contributions to excellence in the fields of research, learning and teaching, and social impact.

Prof Len Barbour, incumbent of the research chair in nanostructured functional materials, is regarded as a world leader in solid-state supramolecular chemistry. One of only three chemists with an A-rating in South Africa, he has established a world-class laboratory at Stellenbosch University, where he leads a prolific research group that have made a substantial contribution to the University's scientific research output. He has received numerous awards, including the SASOL Innovator of the Year award and the gold medal of the South African Chemical Institute.

In his research, distinguished professor Christo Boshoff, chair of the Department of Business Management and vicedean of research in Economic and Management Sciences, focuses on service quality as a competitive strategy, the management of service recovery, scale development and subjects' neurophysiological responses to services failure. His work has earned him a B-rating from the National Research Foundation. The editor of Management Dynamics for the past 18 years, he has published 127 journal articles, contributed to six textbooks and read 96 academic papers at local and international conferences.

Professor of private law Marius de Waal has been at the leading edge of research in the law of property, the law of succession and the law of trusts. Having produced 28 book chapters and 40 articles in refereed journals and coproduced seven books, this B2-rated researcher's dedication to his discipline has earned him an Alexander von Humboldt scholarship on three occasions. De Waal is also visiting professor at the University of Paris Descartes (Paris V) and holds the Belgian Journal of Private Law exchange chair.

During his 35 years' service, **Neels Fourie** has made key contributions to learning and teaching support, systems and process renewal as well as service delivery to the University community. As deputy registrar of student administration, he helped develop the University's first extended degree programmes, the internal and external moderation system, as well as flexible assessment. He was also instrumental in introducing e-systems for selfregistration, readmission applications and thesis and dissertation submission. Fourie participates in regional and national forums, and provides input to various national policies.

Prof Maarten Kamper, chair of the Department of Electric and Electronic Engineering, is an established highlevel expert on electrical machines and drives. This B-rated scientist's research on computer-aided design and the control of reluctance, permanent-magnet and induction electrical drives is highly regarded both nationally and

internationally. In the critical area of sustainability, he also utilises his expertise for renewable-energy applications. Kamper is a valued collaborator of industry, including the process and industrial automation giant ABB in Sweden and associate editor of IEEE Transactions on Industry Applications.

As Stellenbosch University's remuneration manager, Japie Kotzé's work epitomises outstanding and relevant professional academic support services delivery. He is regarded as a leader in the field of remuneration and related matters in South African higher education, while also managing the University's sizeable pension fund portfolio. Committed to human dignity and compassionate justice, he has afforded lower-income staff access to affordable medical insurance, ensured parity of remuneration and helped implement the viable-sourcing parameters. This has established Stellenbosch University as a preferred employer in the country's higher education sector.

Distinguished professor **Lesley le Grange's** innovative work in the field of curricula and teaching makes him instrumental in the University's pursuit of excellence through ongoing curriculum renewal. His re-election as vice-president of the International Association for the Advancement of Curriculum Studies in 2017 attests to his curriculum development expertise. He has received several awards, including eight Rector's excellence awards, two Vice-Rector's awards for research productivity and the Education Association of South Africa's Young Researcher medal, Santam medal for research excellence as well as medal of honour.

Manie Lombard, chief finance director, leads a 140-member team that provides a crucial support service to the University. With Lombard's diligence and skill, the University's R6 billion budget and extensive risk management programme are in safe hands. Being central to the R233 million Tygerberg catch-up maintenance project and R3,7 billion Campus Renewal Project business plan, this chartered accountant and registered auditor helps the University provide world-class facilities for worldclass teaching. He is also a valued sector contributor as a member of Higher Education South Africa's financial executive forum.

Professor **Elna Mouton** was the first female lecturer in the Faculty of Theology, and the first and, to date, only female dean of a theological faculty in the country. She has excelled as an exceptional, much-loved teacher. Moreover, Mouton's work as co-editor and collaborator in the Living with Dignity project, which explored gender equality

and dignity in Africa from over 20 African theologians' perspective, was rewarded with the 2016 Andrew Murray-Desmond Tutu prize. Her career attests to an unwavering commitment to teaching, and equality and dignity for all.

As a renowned scholar of African literature and a public intellectual, associate professor Grace Musila advocates for studies of Africa, by Africa. She has also been a valued fellow of Cardiff Law School, the Cadbury Foundation and the American-based African Studies Association, African Humanities Programme and National Humanities Center. Musila's 2015 monograph A death re-told in truth and rumour, exploring varied interpretations of the Brit Julie Ann Ward's murder in the Maasai Mara National Reserve, is lauded for its sophisticated treatment of social history and folklore.

Anita Nel, chief executive of Innovus and senior director of innovation and business development, has established Stellenbosch University's technology transfer office as a leader in its field. Under Nel's guidance, Innovus expertly expands the University's innovation and intellectual property portfolio, and commercialises its inventions. She also oversees the University's brand portfolio, SunCom, the Copyright and Short Courses Division, the Nedbank Stellenbosch University LaunchLab business incubator and 25 spin-out companies. A valued member of national and international committees, Nel keeps the University at the leading edge of innovation.

Distinguished professor of psychiatry Soraya Seedat is a renowned clinician-scientist with a substantial impact on clinical practice and policy, and is cited in scientific literature globally. Her research has earned her the Department of Science and Technology/National Research Foundation chair in posttraumatic stress disorder, and co-directorship of the Medical Research Council's Unit on Anxiety and Stress Disorders. Accolades bestowed on Seedat include fellowships of the World Federation of Societies of Biological Psychiatry and the Lundbeck Institute, along with an award from the Anxiety Disorders Association of America.

Distinguished professor of psychology Leslie Swartz is an acclaimed researcher, leading authority and international consultant on mental health and disability issues. A member of the Academy of Science of South Africa and a B-rated researcher, Swartz's current research focuses are access to healthcare for vulnerable people in Africa, language access to mental healthcare, and building research capacity among the disabled people's organisations of Southern Africa. His work has earned him accolades including the Stals prize for psychology of the Suid-Afrikaanse Akademie vir Wetenskap en Kuns.

Dr Antoinette van der Merwe of the Division for Learning and Teaching Enhancement is an esteemed leader in teaching and learning promotion and scholarship. She has equipped the Division to offer excellent, innovative, multilingual, ICT-assisted teaching and learning to existing and new knowledge markets. Beyond the Division, she has served on numerous audit and evaluation panels, as a National Research Foundation reviewer and an external examiner and moderator to postgraduate students. Her sustained excellence in teaching and learning promotion has earned her four Rector's service excellence awards.

Dr Trevor van Louw's work as director of the Stellenbosch University Centre for Pedagogy (SUNCEP) has given the Centre a national footprint in educational development. With SUNCEP's university preparation programmes SciMathUS and HOPE@Maties - the latter personally initiated by Van Louw – learners can improve their Grade 12 marks and their chances of accessing higher education, while seven advanced diploma programmes build teacher capacity. This three-time recipient of a Rector's award, supervisor for postgraduates and public speaker excels in broadening access and enhancing social impact for the University.

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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, associate companies and trusts included in the consolidated annual financial statements, is 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 Council committees.

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 (IFRS).

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 108 to 144 were approved by the Council and were signed by:

Mr GM Steyn

Chairperson of the University Council

Schullersis

Prof SA du Plessis Chief Operating Officer

Prof DP du Plessis Chairperson of the Audit and Risk Committee

18 June 2018

Independent auditor's report to the Council of STELLENBOSCH UNIVERSITY

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

OPINION

We have audited the consolidated financial statements of Stellenbosch University set out on pages 108 to 144, which comprise the consolidated statement of financial position as at 31 December 2017, and the consolidated income statement, statement of other comprehensive income, statement of changes in funds, and statement of cash flows for the year then ended, as well as the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Stellenbosch University as at 31 December 2017, and its consolidated financial performance and 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, act no. 101 of 1997.

CONTEXT FOR THE OPINION

We conducted our audit in accordance with the International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the consolidated financial statements section of our report.

We are independent of the University in accordance with the International Ethics Standards Board for Accountants' Code of ethics for professional accountants (IESBA code) together with the ethical requirements that are relevant to our audit in South Africa. We have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA code.

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

RESPONSIBILITIES OF THE COUNCIL

The Council is responsible for the preparation and fair presentation of the consolidated 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 determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL **STATEMENTS**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of user's taken on the basis of these consolidated financial statements.

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

REPORT ON THE AUDIT OF THE ANNUAL PERFORMANCE REPORT

INTRODUCTION AND SCOPE

In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof we have a responsibility to report material findings on the reported performance information against predetermined objectives for selected objectives presented in the annual report. We performed procedures to identify findings but not to gather evidence to express assurance.

Our procedures address the reported performance information, which must be based on the approved performance planning documents of the University. We have not evaluated the completeness and appropriateness of the performance indicators/measures included in the planning documents. Our procedures also did not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, our findings do not extend to these matters.

We evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected objectives presented in the annual report of the University for the year ended 31 December 2017:

Objectives	Pages in the annual report
Objective I – to achieve the approved headcount enrolment target	33
Objective 2 – to achieve the approved first time entering enrolment target	33
Objective 3 – to achieve the approved graduate output rate target	33
Objective 4 – to achieve the approved research output per instructional/ research professional staff target	34

We performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. We performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

We did not identify any material findings on the usefulness **OTHER REPORTS** and reliability of the reported performance information for the following objectives:

- to achieve the approved headcount enrolment target
- to achieve the approved first time entering enrolment target
- to achieve the approved graduate output rate target
- to achieve the approved research output per instructional/research professional staff target

ACHIEVEMENT OF PLANNED TARGETS

Refer to the annual report on pages 33 and 34 for information on the achievement of the planned targets for the year.

REPORT ON AUDIT OF COMPLIANCE WITH LEGISLATION

INTRODUCTION AND SCOPE

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

We did not identify any instances of material non-compliance with specific matters in key legislation, as set out in the general notice issued in terms of the PAA.

OTHER INFORMATION

The Stellenbosch University Council is responsible for the other information. The other information comprises the information included in the annual report other than the financial report, and the University Council's responsibility for financial reporting included in the financial report. The other information does not include the consolidated financial statements, the auditor's report thereon and those selected objectives presented in the annual report that have been specifically reported on in the auditor's report.

Our opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and we

do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements and the selected objectives presented in the annual performance report, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed we conclude that there is a material misstatement of this other information, we are required to report that fact.

INTERNAL CONTROL DEFICIENCIES

We considered internal control relevant to our audit of the consolidated financial statements, reported performance information and compliance with applicable legislation; however, our objective was not to express any form of assurance thereon. We did not identify any significant deficiencies in internal control. We have nothing to report in this regard.

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

We issued 29 agreed-upon procedures engagement reports during the year ended 31 December 2017 on funding from various donors and Department of Higher Education and Training funding. These reports covered periods ranging from 1 January 2014 to 31 July 2017.

We issued 12 donor funding audit and non-audit assurance reports during the year ended 31 December 2017 covering periods ranging from 1 January 2015 to 31 December 2016.

Pricewaterhause Coopers Inc.

PricewaterhouseCoopers Inc. Registered Auditor Stellenbosch 18 June 2018

AUDITOR'S RESPONSIBILITY FOR THE AUDIT

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

FINANCIAL STATEMENTS

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

- identify and assess the risks of material misstatement of the consolidated financial statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council.
- conclude on the appropriateness of the Council's use of the going concern basis of accounting in the preparation of the financial statements. We also conclude, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that

Annexure -

may cast significant doubt on Stellenbosch University's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify the opinion on the financial statements. Our conclusions are based on the information available to me at the date of the auditor's report. However, future events or conditions may cause the University to cease to continue as a going concern.

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

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

We also confirm to the Council that we have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to have a bearing on our independence and here applicable, related safeguards.



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.

I. 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. Application of the University's accounting policies is at management's discretion. 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 APPLIED FOR THE FIRST TIME DURING THE YEAR

Certain new standards, amendments and interpretations relating to existing standards that have become compulsory for the financial year starting on 1 January 2017, have been applied by the University for the first time. None of these had a material impact on the consolidated annual financial statements. The amendments to and interpretations of the standards are as follows:

Amendment to IAS 7	'Cash flow statements' on disclosure requirements			
Amendment to IAS 12	'Income taxes' on recognition of deferred tax assets for unrealised losses			
Amendments to IFRS 12	'Disclosure of interests in other entities' on disclosure requirements			

STANDARDS AND AMENDMENTS TO EXISTING STANDARDS NOT YET EFFECTIVE

Certain new standards and amendments to existing standards that have become compulsory for accounting periods commencing on or after I January 2018 or later and that the University has not yet applied, have been published. The University will apply these in the applicable period, if relevant. The new standards and amendments to existing standards are as follows:

Standards and amendments to existing standards which will affect the consolidated annual financial statements.

	'Financial instruments' (2009 & 2010), on financial liabilities, derecognition of financial instruments, financial assets and general hedge accounting (effective date of I January 2018)
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IFRS 9 addresses the classification and measurement of financial assets and replaces the multiple classification and measurement models in IAS 39 with a single model that has only two classification categories: amortised cost and fair value. IFRS 9 includes guidance on financial liabilities and for the derecognition of financial instruments.

Although IFRS 9 changes the classification of certain financial instruments, the measurement basis of the University's financial assets and liabilities is expected to be unchanged under the new principles. Trade and other receivables are all held to collect solely principal and interest (SPPI) and will continue to be measured at amortised cost in future. Similarly, borrowings and trade and other payables will continue to be measured at amortised cost. The University has a significant portfolio of available for sale investments consisting of both debt and equity instruments - all currently measured at fair value through other comprehensive income (FVOČI). For debt instruments under IFRS 9, the University will continue to recognize them at FVOCI, since it is the business model of the University to hold and collect SPPI and sell these instruments. For equity instruments, the intention is to elect the FVOCI option. The University does not expect the new expected credit loss impairment model to have a significant effect on the provision for student fees, although the provision for student loans might increase if lifetime expected losses is to be taken into account. Management is in the process of further stratifying the debtors book into defined classes of student debt with differing payment profiles or guarantors.

IFRS 15 and amendment to IFRS 15 'Revenue from contracts with customers' (effective date of 1 January 2018)

IFRS 15 is a single, comprehensive revenue recognition model for all contracts with customers to achieve greater consistency in the recognition and presentation of revenue. Revenue is recognised based on the satisfaction of performance obligations, which occurs when control of the goods or service transfers to a customer.

Revenue needs to be recognized at a point in time or over time depending on the performance obligations linked to separate elements of the contract with the customer. The University has five income streams being I) Government grants, 2) Student, accommodation and other fees, 3) Grants and contracts, 4) Donations, and 5) Sale of services and products. It is expected that the timing and measurement of the University's revenue will not materially change as a result of the implementation of IFRS 15. Based upon an initial impact assessment, grants and contracts appears to be the only income stream impacted by this standard. Although the University in most instances already account for research grants over the term of the research period, management is in the process of analyzing individual contracts with specific focus on contracts with multiple performance conditions attached to them and where measurement of progress is not necessarily in line with time. Government grants are excluded from the scope of IFRS 15 and accounted for in terms of IAS 20. Student, accommodation and other fees generally accrues within the University's academic year and are not recognized over time periods that span multiple financial years. Donations with no restrictions attached to them are recognized at that point in time, or otherwise deferred in line with the performance conditions. Sundry sales of goods are mostly delivered to customers at the point of sale. Sales of services are already accounted for on an accrual basis over time and does not have multiple element arrangements included in it.

'Leases' (effective date of 1 January 2019)

The new standard addresses the definition of a lease, recognition and measurement of leases and establishes principles for reporting useful information to users of financial statements about the leasing activities of both lessees and lessors. A key change is that most operating leases will be accounted for on the statement of financial position of lessees. Management is currently investigating the impact of this new standard, but there will not be an effect on the consolidated annual financial statements of the University in the following year.

Standards and amendments to existing standards which will not have a material effect on the consolidated annual financial statements.

Amendments to IFRS 10	'Consolidated financial st ventures' (effective date
IFRS 17	'Insurance contracts' (effe
IFRIC 22	'Foreign currency transact
Amendments to IFRS 2	'Share-based payments' (
IFRIC 23	'Uncertainty over incom
Amendments to IFRS 4	'Insurance contracts' (effe
Amendments to IAS 40	'Investment property' (ef
Amendments to IFRS 1	'First-time adoption of IF
Amendments to IAS 28	'Investments in associate

2. BASIS OF CONSOLIDATION

SUBSIDIARIES

IFRS 16

All entities (including special purpose 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 has been obtained. Subsidiaries are deconsolidated from the date on which effective control ends.

The University recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of the acquiree's identifiable net assets.

statements' and IAS 28, 'Investments in associates and joint postponed) fective date of I January 2021)

ctions and advance consideration' (effective date of 1 January 2018)

(effective date of | January 2018)

ne tax treatments' (effective date of 1 January 2019)

fective date of | January 2018)

effective date of | January 2018)

FRS' (effective date of 1 January 2018)

es and joint ventures' (effective date of 1 January 2018)

Intergroup transactions, balances and unrealised profits on transactions between the University and its subsidiaries are eliminated. Unrealised losses are also eliminated and 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 nature and 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 and 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 PRESENTATIONAL **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 presentational 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 EOUIPMENT

Land and buildings mainly consist of stands, 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 at fair value by sworn valuers at the date of donation.

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 consolidated 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.

Government grants received for infrastructure are recognised by subtracting the grant from the value of the asset.

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. Residuals and depreciation rates are as follows:

	Residual %	Depreciation %
Land	100	-
Buildings	-	1,3-20,0
Computer equipment	-	33,3
Other equipment and motor vehicles	0-40	5-25
Library books	-	100

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

If the carrying value of an asset is significantly in excess of 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 at 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 falling into this category at year-end is 10 years. Postacquisition costs incurred in the maintenance of computer software are recognised as expenditure in the period in which incurred.

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. Goodwill is not subject to amortisation and is tested annually for impairment.

Intangible assets include computer software licences and goodwill.

6. FINANCIAL INSTRUMENTS

Financial instruments include cash and cash equivalents, derivatives, investments, loans and receivables, trade and other payables and borrowings. 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 in the consolidated income statement through profit and loss. The University classifies financial liabilities in the following categories: trade and other payables and interest-bearing borrowings. The classification is determined by the purpose for which the asset or liability has been 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. An allowance for credit losses is raised in the event of objective evidence that 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 against operating expenditure.

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

Cashandcashequivalents, 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, ie 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 sale 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

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 determines at each year-end whether a financial asset has been impaired, provided objective evidence can be provided. 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 impairments 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 with adjustments through the consolidated income statement'. These instruments are recognised at fair value at the date the derivative contract has been 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

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 borrowings 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 liabilities.

7. RESEARCH AND DEVELOPMENT COSTS

Research and development costs are recognised as expenditure in the year in which incurred, since both are inherent in the normal operations of a university.

8. DONATIONS RECEIVED

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.

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.

II. REVENUE RECOGNITION

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

Donation income is accounted for when it accrues.

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

Central government grants are recognised in the period for which they are received. Government grants are recognised where there is reasonable certainty that the grant will be received and that the University will meet all the associated conditions. Government grants received for infrastructure are included in liabilities as deferred government grants and are credited to the asset when the asset becomes availabe for use, resulting in a decrease in the depreciation recognised in the consolidated income statement over the expected lives of related assets.

Research grants are recognised over the term of the research and based on the terms of the individual contracts

Interest income is recognised on a time apportionment basis by using the effective-interest-rate method. On impairment of a debtor 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 rights to receive a dividend vest, ie 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 in the consolidated income statement on a straight-line basis over the period of the lease.
- Accidental sales and services are recognised on transfer of the goods or in the period in which the services are rendered.

12.LEASES

The University leases property and equipment. Lease agreements where the lessor retains the significant risks and benefits associated with ownership of a leased item, are classified as operating leases. Payments in respect of operating leases are recognised in the consolidated income statement on a straight-line basis over the period of the lease.

Lease agreements where the University, as lessee, receives all the significant risks and benefits of ownership, are classified as finance leases. Finance leases are capitalised at the beginning of the lease term at the lower of the market value of the leased property and the current value of the minimum lease payments. Each lease payment has a liability and finance charges element and is apportioned accordingly. The corresponding lease liability, net of finance charges, is recognised in the consolidated statement of financial position. Property and equipment acquired by means of finance leases are depreciated over the shorter of the useful life or the lease term of the asset.

13. 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.

14.STAFF BENEFITS

POSTRETIREMENT MEDICAL BENEFITS AND **GROUP LIFE INSURANCE SCHEME**

Retired employees receive postretirement medical benefits. Access to this benefit is restricted to employees appointed prior to I 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 postretirement 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 statement of comprehensive income.

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, recognised as an expense in the period in wich services are rendered.

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 expenditure as and when the liability accrues.

15. DEFERRED TAXATION

Deferred tax is provided by using the liability method for temporary differences within tax-paying subsidiaries of the University. 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. Deferred tax assets and liabilities are determined using tax rates (and laws) that have been enacted or substantively enacted by the statement of financial position date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. 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.

16. FUNDS

Funds consist of restricted and unrestricted funds. Restricted funds consist of operational, loan, donor and fixed asset funds with specific conditions for use. Unrestricted funds are those which Council uses at its own discretion. In the pool of unrestricted funds are funds which are earmarked for specific purposes and can therefore not be used for other purposes.

STELLENBOSCH UNIVERSITY ANNUAL INTEGRATED REPORT 2017 113

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2017

	Notes	2017 R000	2016 R000
ASSETS			
NON-CURRENT ASSETS		14 219 261	12 895 559
Property, books and equipment	4	5 084 044	4 782 785
Intangible assets	5	5 158	2 144
Long-term investments	6	8 888 708	7 893 329
Investment in associate companies	7	6 391	5 254
Long-term portion of trade and other receivables	8	231 871	208 410
Deferred tax	9	I 885	2 875
Operating lease asset	11	I 204	761

CURRENT ASSETS		037 77	0 8 273
Inventories	10	6 671	4 932
Trade and other receivables	8	256 191	261 150
Short-term portion of operating lease asset	11	200	67
Cash and cash equivalents	24	774 5	752 124

TOTAL ASSETS	15 256 438	13 913 832

FUNDS AND LIABILITIES			
AVAILABLE FUNDS		13 338 103	12 254 208
Unrestricted funds: earmarked	2	651 493	701 654
Unrestricted funds: unearmarked	2	571 491	459 461
Restricted funds	2	9 562 516	8 553 334
		10 785 500	9 7 1 4 4 4 9
Property revaluation reserve	2	2 538 731	2 538 731
Non-controlling interests	2	13 872	I 028
NON-CURRENT LIABILITIES		857 531	774 371
Interest-bearing borrowings	3	202 411	144 790
Staff benefits	26	655 120	629 581
CURRENT LIABILITIES		I 060 804	885 253
Trade and other payables	12	I 049 726	871 206
Deferred tax	9	-	598
Short-term portion of interest-bearing borrowings	3	11 078	13 449
TOTAL FUNDS AND LIABILITIES		15 256 438	13 913 832

CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2017

		Educational & general	Educational & general	Educational & general	Student and staff accom- modation	2017 Total	2016 Total
	Notes	Unrestricted R000	Restricted R000	Total R000	Restricted R000	R000	R000
TOTAL INCOME		2 818 885	2 723 802	5 542 687	334 798	5 877 485	5 311 42
RECURRING ITEMS							
Government grants		1 368 644	489 421	I 858 065	24 326	882 391	I 708 6
Government grants: bail-out component		-	-	-	-	-	79 2
Student, accommodation and other fees		898 080	83 23	981 203	301 224	1 282 427	29 9
Grants and contracts		71 634	1 093 919	1 165 554	-	1 165 554	1 210 2
Private donations		7 277	224 293	231 570	-	231 570	338 4
Sale of services and		314	203 730	204 043		204 043	190 6
products Subtotal		2 345 949	203 730	4 440 435	325 550	4 765 985	4 657 2
Interest and dividends		2 373 777	2 077 700	CCP 077 F	525 550	705 705	- 10J7 Z
earned Profit on disposal of	17	57 508	277 693	335 201	9 248	344 449	318 2
property, books and equipment		(108)	4 984	4 875	-	4 875	6
Profit realised on disposal of investments Equity profit in associate	18	415 317	343 05 1	758 368	-	758 368	327 0
companies		-	-	-	-	-	13
Foreign exchange gain		220	3 588	3 808	-	3 808	4
		2 818 885	2 723 802	5 542 687	334 798	5 877 485	5 311 4
TOTAL							
EXPENDITURE		2 161 353	2 585 832	4 747 185	228 329	4 975 513	4 570 6
RECURRING ITEMS							
Staff costs	4	4 2 797	885 480	2 298 277	33 346	2 331 624	2 172 2
Academic professional		768 598	258 761	I 027 359	-	I 027 359	961 9
Other		644 199	626 719	1 270 919	33 346	I 304 265	12102
Other operating expenditure	16	647 362	5 2 340	2 59 70	162 778	2 322 479	2 092 4
Depreciation and amortisation	16	101 194	173 226	274 420	9 026	283 445	287 8
Subtotal		2 161 353	2 571 046	4 732 398	205 50	4 937 548	4 552 5
Finance charges		-	769	769	23 179	34 948	180
Equity loss in associate			2 0 1 0	2.010		2.010	
companies		2 161 353	3 018 2 585 832	3 018 4 747 185	228 329	3 018 4 975 513	4 570 6
			2 303 032	+ / +/ 105	220 327	+ // 5 515	+ 570 0
APPORTIONMENT TO/ (FROM) RESERVES		-	77 425	77 425	(77 425)	-	
TRANSFERS (FROM)/ TO RESERVES		(371 187)	400 231	29 044	(29 044)	_	
		(371 187)	477 656	106 469	(106 469)	-	
SURPLUS FOR THE YEAR		286 345	615 626	901 971	-	901 971	740 82
		286 345 286 345	615 626 614 497	901 971 900 842	-	901 971	
YEAR					-		740 82

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2017

Notes	Educa- tional & general	Student and staff accom- modation	Subsidiary companies	Loan funds	Endow- ment funds	Fixed-asset funds	Non- controlling interests	Total
	R000	R000	R000	R000	R000	R000	R000	R000
31 DECEMBER 2016								
Surplus for the year	741 050	-	-	-	-	-	(227)	740 823
Other comprehensive incor	me							
ltems that may be reclassified	l to profit or loss	5						
Fair-value reserve - Realisation to								
- Realisation to income statement - Adjustment for	(99 608)	(7 872)	-	-	(197 307)	(22 262)	-	(327 049)
the year	20 622	588	(195)	-	9 755	4 982	-	36 752
Apportionment (from)/to reserves	(137 500)	73 900	23 078	22 3	393 780	(375 389)	-	-
Transfers to/(from) reserves	72 528	(42 443)	-	31 829	(153 892)	91 979	-	-
Item that will not be reclassifie	ed to profit or lo	. ,						
Actuarial loss for the 26 year	6 (23 447)	-	-	-	-	-	-	(23 447)
TOTAL COMPREHENSIVE INCOME	573 646	25 173	22 883	53 961	52 335	(300 689)	(227)	427 079
			· · · · ·			·		
31 DECEMBER 2017								
Surplus for the year	900 842	-	-	-	-	-	29	901 971
Other comprehensive incor	me							
Items that may be reclassified	l to profit or loss	5						
Fair-value reserve - Realisation to								
income statement								
 profit realised on disposal of 								
investments - impairment loss	(218 981)	(17 434)	-	-	(475 712)	(46 241)	-	(758 368)
recognised on	36 541	2 939	_	_	89 2	7 089	_	135 690
- Adjustment for								
the year Apportionment	214 692	17 268	(875)	-	523 618	41 650	-	796 353
(from)/to reserves Transfers to/(from)	(784 612)	81 152	8 623	8 961	277 58	397 870	10 848	-
reserves	90 981	(77 425)	-	17 659	(96 23)	64 908	-	-
Item that will not be reclassifie	ed to profit or lo	oss						
Actuarial profit for the year 26	6 7 381			_	_	_		7 381
TOTAL	, , , , , , , , , , , , , , , , , , , ,							, 501
	246 843	6 500	7 748	26 620	318 063	465 276	977	I 083 027

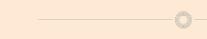
CONSOLIDATED STATEMENT OF CHANGES IN FUNDS FOR THE YEAR ENDED 31 DECEMBER 2017

	Educational & general	Student and staff accom- modation	Subsidiary companies	Loan funds	Endowment funds	Fixed-asset funds	Non-con- trolling interests	Total
	R000	R000	R000	R000	R000	R000	R000	R000
BALANCE AS AT I JANUARY 2016	3 443 209	192 796	460	314 545	3 266 814	4 608 049	(2 051)	823 821
Surplus for the year Movement of in- terest in subsidiary Other	741 050	-	-	-	-	-	(227) 3 306	740 823 3 306
comprehensive income for the year	(167 405)	25 173	22 883	53 960	52 335	(300 690)	-	(313 744)
BALANCE AS AT 31 DECEMBER 2016	4 016 854	217 969	23 343	368 505	3 319 149	4 307 359	1 028	12 254 208
BALANCE AS AT I JANUARY 2017	4 016 854	217 969	23 343	368 505	3 319 149	4 307 359	I 028	12 254 208
Surplus for the year	900 842	-	-	-	-	-	29	901 971
Movement of in- terest in subsidiary Other comprehen- sive income for the	-	-	-	-	-	-	867	867
year BALANCE AS AT	(653 997)	6 500	7 748	26 620	318 063	465 276	10 848	181 058
31 DECEMBER 2017	4 263 699	224 469	31 091	395 125	3 637 212	4 772 635	13 872	13 338 103

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED **31 DECEMBER 2017**

	Notes	2017 R000	2016 R000
CASH FLOW FROM OPERATING ACTIVITIES			
Cash received from government grants		1 967 210	1 822 912
Cash received from student accommodation and other fees		1 210 319	04 889
Cash received from private donations		238 152	362 734
Cash received from grants and contracts		5 5	330 921
Cash received from sale of services and products		204 043	190 676
Cash paid for staff costs		(2 278 548)	(2 52 625)
Cash paid for inventories and services		(2 042 865)	(2 192 053)
Cash generated by operations	23	409 825	467 454
Plus: Interest received	19	243 119	226 855
Dividends received	20	109 404	88 443
Less: Finance charges paid	21	(11 526)	(130)
Net cash inflow from operating activities		750 822	782 622
CASH FLOW FROM INVESTMENT ACTIVITIES		(728 774)	(644 875)
Addition to investments		(5 988 801)	(4 24 947)
Disposal of investments		5 789 775	4 090 593
Addition to property, books and equipment		(536 486)	(613 938)
Proceeds from sale of property, books and equipment		6 738	3 417
CASH FLOW FROM FINANCING ACTIVITIES			
Decrease in interest-bearing borrowings	22	(58)	(3 2 1 8)
NET INCREASE IN CASH AND CASH			124 522
		21 990	134 530
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		752 124	617 594
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	24	774 5	752 24
THE LEAN		//4115	752 124

Notes to the Consolidated Annual Financial Statements FOR THE YEAR ENDED 31 DECEMBER 2017



I. 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. Consequently, the accounting estimates used in the consolidated annual financial statements will not necessarily be in line with the actual outcome in subsequent periods. The estimates and assumptions below may have a material effect on the carrying amounts of assets and liabilities.

STAFF BENEFITS

A number of assumptions are made in the provision for staff benefits. Refer to note 26 for the assumptions. The significant assumptions are a discount rate of 9,9% (2016: 9,9%), a medical inflation rate of 8,8% (2016: 9,3%) and an expected retirement age of 65 years (2016: 65 years).

The effect of a 1% increase in the discount rate will be as follow Decrease in the accrued liability

The effect of a 1% decrease in the discount rate will be as follow Increase in the accrued liability

The effect of a 1% increase in the medical inflation rate will be a Increase in the accrued liability Increase in the current service and interest cost

The effect of a 1% decrease in the medical inflation rate will be Decrease in the accrued liability Decrease in the current service and interest cost

The effect of an increase of one year in the expected retirement Decrease in the accrued liability

The effect of a decrease of one year in the expected retirement Increase in the accrued liability

The University's policy on retirement age states that employees retire at 65 years of age. After age 65 employment may be extended to a maximum age of 70, based on uninterrupted satisfactory performance. For computation purposes the normal and expected retirement age is therefore deemed 65 years.

IMPAIRMENT OF OUTSTANDING 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 (2016: prime) on average. This assumption is based on enquiries made at various financial institutions.

Student loans are categorised as redeemable or non- redeemable. A provision for impairment of their loans is based on historical information according to the category of the student. Overdue student loans are considered annually for possible creation of an allowance for credit losses.

Provision for impairment of outstanding student fees is based on historical trends. The probability of collection is taken into account and based on that an allowance for credit losses is recognised. The probability of collection decreases with the ageing of debt and consequently a higher allowance for credit losses is recognised for older debt. A higher percentage is applied to debt handed over for collection.

	2017	2016
ws:		
	(9,80%)	(10.1%)
	ζ, ,	× ,
WS:	11.00/	12.10/
	11.8%	12.1%
as follows:		
	11.3%	11.6%
	12.5%	12.9%
as follows:		
as ionows.	(9.5%)	(9.8%)
	(10.5%)	(10.8%)
	(10.5%)	(10.0%)
nt age will be as follows:		
	(1.9%)	(2.0%)
t age will be as follows:		
	2.0%	2.1%
	2.0/0	2.170

IMPAIRMENT OF INVESTMENTS

The University determines the significance of a fairvalue decrease to below cost by taking into account the volatility of the specific instrument. A decrease to 20% lower than the cost, or lasting longer than 12 months, is deemed significant.

USEFUL LIFE AND RESIDUAL VALUE 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 value of assets other than land is 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 as at I January 2004 in terms of IFRS I, 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.

2. FUND BALANCES

The accumulated balances as at 31 December are as follows:

	Restricted	Un- restricted	Property revaluation reserve*	Fair-value reserve	Non- controlling interests	Total
	R000	R000	R000	R000	R000	R000
2017						
Educational and general	3 213 708	668 133	-	381 858	-	4 263 699
Student and staff accommodation	194 068	-	-	30 401	-	224 469
Subsidiary companies	30 993	-	-	98	-	31 091
Loan funds	395 125	-	-	-	-	395 125
Endowment funds	2 463 708	343 960	-	829 544	-	3 637 212
Fixed-asset funds	2 153 269	-	2 538 731	80 635	-	4 772 635
Non-controlling interests	-	-	-	-	13 872	13 872
	8 450 871	1 012 093	2 538 731	1 322 536	13 872	13 338 103
2016						
Educational and general	2 861 545	736 711	-	349 607	-	3 947 863
Student and staff accommodation	148 351	-	-	27 628	-	175 979
Subsidiary companies	22 369	-	-	974	-	23 343
Loan funds	352 412	-	-	-	-	352 412
Endowment funds	2 24 76	268 851	-	692 516	-	3 086 128
Fixed-asset funds	2 050 588	-	2 538 731	78 36	-	4 667 455
Non-controlling interests		-	-	-	1 028	1 028
	7 560 026	1 005 562	2 538 731	48 86	1 028	12 254 208

The allocation of the fair-value reserve is as follows:

	Funds at book value	Allocation of fair-value reserve	Funds at market value
	R000	R000	R000
2017			
Restricted funds	8 450 871	645	9 562 516
Unrestricted funds	1012093	210 891	I 222 984
Earmarked funds	651 493	-	651 493
Unearmarked funds	360 600	210 891	571 491
	9 462 964	322 536	10 785 500
2016			
Restricted funds	7 560 026	993 308	8 553 334
Unrestricted funds	1 005 562	155 553	6 5
Earmarked funds	701 654	-	701 654
Unearmarked funds	303 908	155 553	459 461
	8 565 588	48 86	9 714 449

*The property revaluation reserve relates to an once-off event in 2004 when the University applied the IFRS I exemption in terms of which the fair market value of the buildings at the date of conversion to IFRS, became the deemed cost of the buildings.

• 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, 84 of 1967, before the properties are placed on the market.

3. INTEREST-BEARING BORROWINGS

One government loan at a fixed interest rate repayable in equal b ending 2018

Various loans from financial institutions at varying interest rates an biannual payments

Bank facility for financing the University's various motor vehicle sch Finance lease liability

Less: Portion repayable within one year

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

Within one year Between two and five years After five years

The average interest rate on borrowings amounts to 15,6% (2016: 13,6%) at year-end. Motor vehicle loans owing by employees are included in trade and other receivables (refer to note 8). All the borrowings, excluding the motor vehicle schemes, have fixed interest rates. Motor vehicle scheme rates are linked to prime. The minimum finance lease payments are payable as follows: Within one year

Between two and five years After five years Total payments Less: finance charges payable

The current value of lease payments is as follows: Within one year* Between two and five years* After five years

*interest capitalised in initial periods of the lease exceed capital repayments.

	2017	2016
	R000	R000
piannual payments		
	67	192
nd terms, repayable in		
	43 101	41 650
hemes	38 667	40 052
	131 654	76 344
	213 489	158 237
	(11 078)	(13 449)
	202 411	144 790

67	3 225
44 434	40 244
168 988	114 768
213 489	158 237

17 507	10 781
88 248	54 337
541 706	310 896
647 461	376 014
(515 807)	(299 670)
131 654	76 344

(8 014)	(4 505)
(28 024)	(15 333)
167 692	96 182
131 654	76 344

4. PROPERTY, BOOKS AND EQUIPMENT

		2017			2016	
	Cost	Accumulated depreciation	Net carrying amount	Cost	Accumulated depreciation	Net carrying amount
	R000	R000	R000	R000	R000	R000
Land	15 679	-	15 679	15 679	-	15 679
Buildings	5 397 766	1 069 060	4 328 706	4 992 336	893 939	4 098 397
Computer equipment	455 677	368 682	86 995	413 853	345 988	67 865
Other equipment and motor vehicles	I 079 57I	426 907	652 664	028 34	427 290	600 843
Library books	668 260	668 260	-	673 955	673 955	-
	7 616 953	2 532 909	5 084 044	7 23 956	2 341 171	4 782 785

	Land	Buildings	Computer equipment	Other equipment and motor vehicles	Library books	Total
	R000	R000	R000	R000	R000	R000
2017 Reconciliation of the carrying amount:						
Cost at the beginning of the year	15 679	5 238 213	413 853	1 028 134	673 955	7 369 834
Less: Government grant	-	(245 877)	-	-	-	(245 877)
Restated cost	15 679	4 992 336	413 853	I 028 I34	673 955	7 123 957
Accumulated depreciation at the beginning of the year	-	(893 939)	(345 988)	(427 290)	(673 955)	(2 341 171)
Net opening carrying value	15 679	4 098 397	67 865	600 844	-	4 782 785
Net additions and disposals	-	323 271	65 59	114 528	81 660	584 618
Depreciation per consolidated income statement	-	(92 962)	(46 029)	(62 708)	(81 660)	(283 359)
Net closing carrying value	15 679	4 328 706	86 995	652 664	-	5 084 044

	Land	Buildings	Computer equipment	Other equipment and motor vehicles	Library books	Total
	R000	R000	R000	R000	R000	R000
2016 Reconciliation of the carrying amount:						
Cost at the beginning of the year	15 679	4 646 754	385 736	915 815	576 588	6 540 573
Less: Government grant	-	(242 509)	-	-	-	(242 509)
Restated cost	15 679	4 404 245	385 736	915 815	576 588	6 298 063
Accumulated depreciation at the beginning of the year	-	(673 462)	(317 431)	(273 863)	(576 588)	(84 344)
Net opening carrying value	15 679	3 730 783	68 305	641 953	-	4 456 719
Net additions and disposals	-	453 441	44 088	17 840	98 568	613 938
Depreciation per consolidated income statement	-	(85 827)	(44 529)	(58 949)	(98 568)	(287 872)
Net closing carrying value	15 679	4 098 397	67 865	600 843	-	4 782 785

The register containing full details of land and buildings is available at the offices of the University. Included in land is property in Stellenbosch on which a notarial bond of RI9I,6 million (2016: RI9I,6 million) was registered. The rights in terms of the lease were ceded to the financier.

Work in progress to the value of R404,9 million (2016: R507,4 million) is included in the cost of buildings. No depreciation is recognised on work in progress.

The University rents property through leases with terms ranging from 15 to 20 years and these are included in the costs and accumulated depreciation of buildings.

5. INTANGIBLE ASSETS

		2017			2016	
	Cost	Accumulated amortisation	Net carrying amount	Cost	Accumulated amortisation	Net carrying amount
	R000	R000	R000	R000	R000	R000
Oracle HRMS	13 913	13 913	-	13913	13913	
Goodwill	5 158	-	5 158	2 44	-	2 44
	19 071	13 913	5 158	16 057	13913	2 44
					2017 R000	2016 R000
6. LONG-TERM INVEST					R000	R000
The fair values of long-term	investments as at 31 D	ecember are	as follows:			
Capital market				93	8 053	683 733
Equities				7 20	5 382	6 590 649
Listed equities				7 20	2 658	6 586 485
I Inlisted equities					2 724	4 164

Unlisted equities Money market Other

The average interest rate for purposes of valuation applicable to government bonds as at year-end was 8,5% (2016: 9,1%) and to fixed deposits 6,25% (2016: 6,5%).

The University's investment portfolios are managed by professional asset managers under the supervision of the Investment Committee of the Council.

/ 202 658	6 586 485
2 724	4 164
743 049	597 851
2 224	21 096
8 888 708	7 893 329

R000 R000

7. INVESTMENT IN ASSOCIATE AND SUBSIDIARY COMPANIES

7.1 INVESTMENT IN ASSOCIATE COMPANIES

	Number of	Interest and effective
Name	shares	voting right
Unistel Medical Laboratories (Pty) Ltd	350	35,0%
Stellenbosch Nanofiber Company (Pty) Ltd	557	22,3%
GeoSUN Africa (Pty) Ltd	30	25,0%
Custos Media Technologies (Pty) Ltd	856	26,3%
Bridgiot (Pty) Ltd	400	36,5%
Surfactant Medical Technologies (Pty) Ltd	5 000	50,0%
Vulamanz (Pty) Ltd	48	40,0%
Sun Magnetics (Pty) Ltd	48	40,0%
7.1.1 Unistel Medical Laboratories (Pty) Ltd		
Balance at the beginning of the year	3 259	5 661
Net share in profit/(loss) of associate company	1 027	(2 402)
Share of pretax profit/(loss)	2 088	(1 375)
Share of tax	(623)	(615)
Dividends earned	(438)	(412)
Delense at the and of the year	4 286	3 259
Balance at the end of the year	4 286	3 237
7.1.2 Stellenbosch Nanofiber Company (Pty) Ltd		
Investment made	2 992	-
Net share of loss of associate company	(2 876)	-
Balance at the end of the year	116	-
7.1.3 GeoSUN Africa (Pty) Ltd		
Balance at the beginning of the year	62	744
Net share in (loss)/profit of associate company	(136)	418
Balance at the end of the year	<u>I 026</u>	62
7.1.4 Custos Media Technologies (Pty) Ltd		
Balance at the beginning of the year	343	-
Investment made	I 700	I 500
Net share in loss of associate company	(1 262)	(57)
Balance at the end of the year	781	343
7.1.5 Bridgiot (Pty) Ltd	200	
Balance at the beginning of the year	289	-
Investment made	-	
Net share in (loss)/profit of associate company	(437)	288
Adjustment for net share of loss limited to zero	148	-
Balance at the end of the year	<u> </u>	289

7.1.6 Surfactant Medical Technologies (Pty) Ltd

Investment made Net share in loss of associate company Adjustment for net share in loss limited to zero

Balance at the end of the year

7.1.7 Vulamanz Water Systems (Pty) Ltd

Balance at the beginning of the year Investment made Net share in loss of associate company Adjustment for net share in loss limited to zero

Balance at the end of the year

7.1.8 Sun Magnetics (Pty) Ltd

Balance at the beginning of the year Investment made Net share in (loss)/profit of associate company

Balance at the end of the year

Total investment in associate companies

7.1.9 Assets, liabilities and profit of Unistel Medical Laborato

Non-current assets Current assets Total assets Non-current liabilities Current liabilities Total liabilities Profit

7.1.10 Assets, liabilities and loss of Stellenbosch Nanofiber C

Non-current assets Current assets Total assets Non-current liabilities Current liabilities Total liabilities Loss

	2017	2016
	R000	R000
	_	
	5 (997)	-
	992	-
		-
	-	-
	-	L
	(898)	(1)
	898	-
		-
	202	-
	-	I
	(20)	201
	182	202
	6 391	5 254
ries (Pty) Ltd		
les (i ty) Ltd	9710	9 159
	16 803	14 355
	26 513	23 514
	2 365	3 272
	4 061	1 083
	<u>6 426</u> 2 604	4 355 4 912
		1712
ompany (Pty) Ltd		
	3 474	4 301
	17 475	6 705
	20 949	11 006
	-	-
	225	334
	225	334
	(10 366)	(4 575)

 R000	R000
2017	2016

7.1.11 Assets, liabilities and profit of GeoSUN Africa (Pty) Ltd

Non-current assets	237	306
Current assets	2 4	2 557
Total assets	2 378	2 863
Non-current liabilities	150	-
Current liabilities	394	2
Total liabilities	544	2
Profit	3	67

7.1.12 Assets, liabilities and loss of Custos Media Technologies (Pty) Ltd

Non-current assets	147	134
Current assets	3 981	3 192
Total assets	4 128	3 326
Non-current liabilities	6 007	I 790
Current liabilities	107	347
Total liabilities	6 4	3 37
Loss	(5 36)	(2 826)

7.1.13 Assets, liabilities and (loss)/profit of Bridgiot (Pty) Ltd

Non-current assets	116	6
Current assets	3 325	713
Total assets	3 441	719
Non-current liabilities	600	-
Current liabilities	3 3 3 3	-
Total liabilities	3 913	-
(Loss)/profit	(1 159)	719

7.1.14 Assets, liabilities and loss of Surfactant Medical Tecnologies (Pty) Ltd

Non-current assets	779	-
Current assets	I 788	-
Total assets	2 567	-
Non-current liabilities	4 547	-
Current liabilities	23	
Total liabilities	4 570	-
Loss	(1 944)	

7.1.15 Assets, liabilities and loss of Vulamanz Water Systems (Pty) Ltd

Non-current assets	10	10
Current assets	729	536
Total assets	739	546
Non-current liabilities	-	-
Current liabilities	795	-
Total liabilities	795	-
Loss	(2 244)	(249)

7.1.16 Assets, liabilities and profit of Sun Magnetics (Pty) Ltd

Non-current assets	97	31
Current assets	67	861
Total assets	l 768	892
Non-current liabilities	-	-
Current liabilities	83	45
Total liabilities	83	45
Profit	848	505

7.2 INVESTMENT IN SUBSIDIARY COMPANIES

7.2. I Assets, liabilities and profit of Stellenbosch Trust

Non-current assets Current assets Total assets Non-current liabilities Current liabilities Total liabilities Comprehensive income for the year

7.2.2 Assets, liabilities and profit/(loss)of InnovUS Technolog

Non-current assets Current assets Total assets Non-current liabilities Current liabilities Total liabilities Comprehensive income/(loss) for the year

7.2.3 Assets, liabilities and profit of USB Executive Develop

Non-current assets Current assets Total assets Non-current liabilities Current liabilities Total liabilities Comprehensive income for the year

7.2.4 Assets, liabilities and profit of Aquastel (Pty) Ltd

Non-current assets Current assets Total assets Non-current liabilities Current liabilities Total liabilities Comprehensive income for the year

7.2.5 Assets, liabilities and profit of Sun Media Stellenbosch

Non-current assets Current assets Total assets Non-current liabilities Current liabilities Total liabilities Comprehensive income for the year

	2017	2016
	R000	R000
	I 677 587	537 603
	45 287	43 835
_	I 722 874	58 438
	-	-
	87 668 87 668	90 530 90 530
_	418 593	377 764
—		
y Transfer (Pty) Ltd		
s,	11 615	7 082
	1 259	200
	12 874	8 282
	5 984	-
	409	2 569
	6 393	2 569
_	3 870	(49
ment Ltd	5 954	3 774
	37 565	32 474
	43 519	36 248
	239	1 898
	17 093	10 300
	17 332	12 198
_	392	90
	1 744	573
	40	57
_	I 784	I 630
_	-	-
	323	320
	323	320
_	151	555
(Pty) Ltd	832	58
	5 049	6 6
_	5 881	6219
	2 501	3 061
	2 501	3 061

	2017	2016
	R000	R000
7.2.6 Assets, liabilities and profit/(loss) of Stellenbosch Wind Energy Technolog	gies (Pty) Ltd	
Non-current assets	18	150
Current assets	31	93
Total assets	49	243
Non-current liabilities	5 765	5 747
Current liabilities		41
Total liabilities	5 765	5 788
Comprehensive income/(loss) for the year	20	(583)

7.2.7 Assets, liabilities and profit of Stellenbosch University Sport Performance Institute (Pty) Ltd

Non-current assets	8 580	8 659
Current assets	7 013	3 741
Total assets	15 593	12 400
Non-current liabilities	475	913
Current liabilities	2 423	2 089
Total liabilities	2 898	3 002
Comprehensive income for the year	4 312	2 046

7.2.8 Assets, liabilities and (loss)/profit of LaunchLab (Pty) Ltd

Non-current assets	6 470	8 989
Current assets	9 699	5 428
Total assets	16 169	14 417
Non-current liabilities	-	598
Current liabilities	3 9	2 206
Total liabilities	3 9	2 804
Comprehensive (loss)/income for the year	(304)	210

7.2.9 Assets, liabilities and profit of The Stellenbosch Development Trust

Non-current assets	33 176	33 176
Current assets	24 797	23 386
Total assets	57 973	56 562
Non-current liabilities	-	-
Current liabilities	4 026	4 026
Total liabilities	4 026	4 026
Comprehensive income for the year	15 011	14 933

7.2.10 Assets, liabilities and profit of Stellenbosch Law Faculty Trust

Non-current assets	38 229	42 278
Current assets	16 131	-
Total assets	54 360	42 278
Non-current liabilities	-	-
Current liabilities	-	-
Total liabilities	-	-
Comprehensive income for the year	2 021	201

7.2 nancin

7.2.11 Assets, liabilities and profit of Stellenbosch Fin Non-current assets
Current assets
Total assets
Non-current liabilities
Current liabilities
Total liabilities
Comprehensive income for the year
8. TRADE AND OTHER RECEIVABLES
Student fees
Student fees due
Less: Allowance for credit losses of student fees
Student loans
Student loans due
Less: Impairment due to non-market-related interest rate:
Less: Allowance for credit losses of student loans
Trade receivables
Trade receivables due
Less: Allowance for credit losses of trade receivables
Motor vehicle loans
Interest and dividends receivable on investments
Insurance claim receivable

Other

Less: Long-term portion of motor vehicle loans Less: Long-term portion of student loans, before taking into acc allowance for credit losses

Refer to note 28 for amounts outstanding by related parties included above. All non-current receivables are receivable within five years from the financial year-end.

STUDENT FEES

The largest component of outstanding student fees is due by former students. Debt is evaluated in terms of historical rates of successful collection. The probability of collection is taken into account and based on that an allowance for credit losses is recognised. The probability of collection decreases with the ageing of debt and consequently a higher allowance for credit losses is recognised for older debt. A higher percentage is applied to debt handed over for collection.

The age analysis of outstanding student fees for which an allowance for credit losses has been recognised is as follows: One year

Between one and five years Five years and older Handed over

Total

The movement in the allowance for credit losses for student fees is a

Balance at the beginning of the year Increase in allowance for the year Amounts written off during the year as irrecoverable

Total

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

	2017	2016
	R000	R000
n a Dawan awah ia		
ng Partnership		21.121
	-	21 131
	32 824	52 295
	32 824	73 426
	-	-
	4 234	11 409
	4 234	409
	9 443	13 533
	103 046	75 482
	264 086	197 498
	(161 040)	(122 016)
	105 308	112 262
	236 053	212 271
	(23 974)	(21 884)
	(106 771)	(78 125)
	98 215	132 828
	102 844	136 187
	(4 629)	(3 359)
	44 651	45 173
	10 556	18 630
	12 769	21 368
	113 518	63 817
	488 062	469 560
	(23 87)	(208 410)
	(30 267)	(30 088)
count	(201 604)	(178 322)
	256 191	261 150

	124 571	80 450
	10 264	14 179
	8 505	9 276
	120 746	93 592
	264 086	197 498
as follows:		
	122 016	92 554
	39 958	30 61 1
	(934)	(49)
	161 040	122 016

2017	2016
 R000	R000

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 their loans is based on historical information according to the category of the student. As at year-end student loans that were not redeemable amounted to R79,5 million (2016: R74,2 million) and no further allowance for credit losses was deemed necessary for this group. Redeemable students amounted to ŔI56,5 million (2016: RI38,1 million), of which R39,4 million

(2016: R41,9 million) had not been overdue. No allowance for credit losses is deemed necessary for non-overdue loans. Overdue student loans amounted to RII7,I million (2016: R96,2 million). Overdue student loans are considered annually for possible creation of an allowance for credit losses.

The movement in the allowance for credit losses of student loans is as follows:

Balance at the beginning of the year	78 125	64 723
Increase in allowance for the year	29 355	13 719
Amounts written off during the year as irrecoverable	(710)	(317)
Balance at the end of the year	106 771	78 125

The increase in the allowance 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

As at year-end trade and other fully performing receivables amounted to R157,6 million (2016: RI44,7 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 the allowance of credit losses. The age analysis of overdue receivables is as follows:

Between one and four months	45 696	44 317
Older than four months	21 248	28 996
Total	66 944	73 313

Receivables older than four months are considered for an allowance for credit losses. The allowance for credit losses of receivables is as follows:

Balance at the beginning of the year	3 359	4 677
Increase/(decrease) in allowance for the year	5 021	(589)
Amounts written off during the year as irrecoverable	(3 751)	(729)
Balance at the end of the year	4 629	3 359

MOTOR VEHICLE LOANS

The recoverability of motor vehicle loans owed by employees is regarded as highly probable and consequently no allowance for credit losses is created 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.

9. DEFERRED TAX

The movement in the deferred tax asset and liability is as fol

Balance at the beginning of the year Movement during the year: Temporary differences on property, books and equipment

Balance at the end of the year

The deferred tax balance consists of the following: Temporary differences on property, books and equipment - assets Temporary differences on property, books and equipment - liabilit

Balance at the end of the year

A deferred tax asset is recognised for tax losses only to the extent that recovery is probable. The movement in deferred tax for the year is included in 'Other operating expenditure'.

10. INVENTORIES

Inventories consist of the following items: Stationery Consumables

11. OPERATING LEASE ASSET

The net operating lease asset is made up as follows: Operating lease asset Operating lease liability

The expected movement in the net operating lease asset is a Balance at the beginning of the year Receivable within one year Receivable within two to five years Receivable after five years

12. TRADE AND OTHER PAYABLES

Trade payables Student fees received in advance Accrued remuneration costs Accrued expenditure Accrued leave liability Income other than student fees received in advance NRF deposit Interstructure balances (STIAS, WAT, MCS) Other

Refer to note 28 for amounts payable to related parties included above.

	2017	2016
	R000	R000
ollows:		
	2 277	2 934
	(392)	(657)
	(372)	(057)
	I 885	2 277
ts	I 885	2 875
ities	-	(598)
	I 885	2 277

	I 697	424
	4 974	4 508
	6 671	4 932
	I 404	828
	-	-
	I 404	828
s follows:		
	I 404	828
	(200)	(67)
	(710)	(761)
	(494)	-
		-
	20 293	29 019
	131 299	113 037
	62 656	53 862
	50 III	62 792
	180 193	169 353
	319 346	212 036
	71 800	71 800
	79 160	80 189
	134 867	79 8
	I 049 726	871 206

 R000	R000
2017	2016

13. COMMITMENTS

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

Buildings Library books and journals	134 490 621 135 111	270 390 356 270 746
14. STAFF COSTS		
Remuneration and fringe benefits	2 298 704	2 37 73
Increase in provision for staff benefits in consolidated income statement	32 877	34 955
Increase in provision for long-service benefits in consolidated income statement	43	74
	2 331 624	2 172 202
Increase in provision for staff benefits included in comprehensive income	(7 381)	23 447
	2 324 243	2 195 649

The number of permanent employees (which includes fixed term employees) is 3 443 (2016: 3 441). The number of non-permanent employees is | 464 (2016: | 365).

15. STAFF COSTS: EXECUTIVE MANAGEMENT

The following information on amounts actually accrued during the financial year is supplied in order to comply with the Higher Education Act (101 of 1997, as amended) and the Regulations for Annual Reporting by Higher Education Institutions (section 7.8).

Name	Position	Nature	Total value 2017	Period	Total value 2016	Period
			R000		R000	
ProfW S de Villiers	Rector and	Remuneration paid out	4 239	Jan – Dec 2017	4 001	Jan – Dec 2016
	Vice-chancellor	Bonus paid out	330	Jan – Dec 2017	300	Jan – Dec 2016
Prof A Schoonwinkel	Vice-rector (Learning and	Remuneration paid out	2 377	Jan – Dec 2017	2 195	Jan – Dec 2016
	Teaching)	Leave paid out	-		81	Jan – Dec 2016
Prof SA du Plessis	Chief Operating Officer Designate	Remuneration paid out	2 309	Jan – Dec 2017	-	
	Vice-rector (Research, In-	Remuneration paid out	2 325	Jan – Dec 2017	2 173	Jan – Dec 2016
ProfTE Cloete novation and Post-graduate studies)	Additional remuneration paid out	-		3	Jan – Dec 2016	
Prof L van Huyssteen	Chief Operating	Remuneration paid out	2 961	Jan – Dec 2017	2 794	Jan – Dec 2016
	Officer	Leave paid out	320	Jan – Dec 2017	-	
	Vice-rector	Remuneration paid out	2 348	Jan – Dec 2017	735	Jun – Dec 2016
Prof NN Koopman	(Social Impact,	Leave paid out	155	Jan – Dec 2017	-	
' Iransforn	Transformation and Personnel)	Additional remuneration paid out	-		385	Jun – Dec 2016
Prof HC Klopper	Vice-rector (Strategy and Internationali- sation)	Remuneration paid out	2 315	Jan – Dec 2017	910	Aug – Dec 2016

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

			Reimbursement of
Paid to	Number of members	Attendance of meetings Average value	expenses Total value
		R000	R000
Chairperson of the Council	I	-	-
Members of the Council	29	-	123

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

2017	2016
R000	R000

16. TOTAL EXPENDITURE

Total expenditure includes the following:

Depreciation and amortisation		
Buildings	92 962	85 827
Computer equipment	46 029	44 529
Other equipment and motor vehicles	62 708	58 948
Library books	81 660	98 568
Amortisation	86	-
	283 445	287 872

Other operating expenditure

Bursaries	455 974	441 887
Rent	67 130	75 015
- Buildings	52 154	64 713
- Equipment	14 976	10 302
Maintenance and repairs	156 616	136 565
Auditors' remuneration	5 185	4 629
For statutory audit		
- Provision for current year	2 695	2 3 1 5
- Underprovision in previous year	-	235
For other audit services	2 285	576
For other consulting services	205	503
Internal audit	4 465	2 759
Forensic audit	1 215	2 106
Increase in provision for impairment of student		
fees, student loans and receivables	71 030	43 875
Impairment of investments	135 690	-
Other expenditure ¹	425 74	385 653
	2 322 479	2 092 489
Bursaries managed by the University	767 393	724 503
- Own funds and research contracts	455 974	441 887
- Agent relationship (incl. NSFAS)	298 435	282 616
- Gap funding	12 984	

¹Other expenses include, amongst others, research expenses, consultation and other services, travel and accommodation expenses and utility services

17. INTEREST AND DIVIDENDS EARNED

Interest received	- short-term investments
	- non-operating investments
	- other
Dividends received	ł

18. PROFIT REALISED ON DISPOSAL OF INVEST

Profit realised from fair-value reserve

19. INTEREST RECEIVED

Amount receivable at the beginning of the year Amount in consolidated income statement Amount receivable at the end of the year

20. DIVIDENDS RECEIVED

Amount receivable at the beginning of the year Amount in consolidated income statement Amount receivable at the end of the year

21. FINANCE CHARGES PAID

Amount payable at the beginning of the year Amount in consolidated income statement Adjustment for non-cash items Amount payable at the end of the year

22. RECONCILIATION OF LIABILITIES ARISING FI

Balance at the beginning of the year Non-cash flow items: Finance leases Interest accrued Less: interest paid Capital repayments Balance at the end of the year

	2017	2016
	R000	R000
	59 312	46 693
	117 762	127 511
	57 971	55 594
	109 404	88 443
	344 449	318 241
MENTS		
	758 368	327 049
	18 630	15 687
	235 045	229 798
	(10 556)	(18 630)
	243 119	226 855
	- 109 404	- 88 443
	-	-
	109 404	88 443
	-	-
	34 948	18 041
	(7 377)	(17 911)
	(16 045)	
	11 526	130
ROM FINANCING	ACTIVITIES	
	158 239	114 964
	48 218	45 000
	20 491	8 652
		, <u> </u>
	(13 399)	(7 161)
	(58)	(3 216)
	213 491	158 239

	2017	2016
	R000	R000
23. RECONCILIATION OF SURPLUS WITH CASH FLOWS		
Surplus according to the consolidated income statement Adjustments for:	901 971	740 823
Realised profits on disposal of investments	(758 368)	(327 049)
Interest and dividends received	(344 449)	(318 241)
Finance charges	34 948	18 041
Profit on disposal of property, books and equipment	(4 875)	(6 8)
Reversal of impairment on buildings	-	(22 565)
Increase in provision for leave gratuity	10 840	14 865
Increase in provision for staff benefits	32 920	35 029
Increase in provision for impairment of student fees, student loans and trade receivables	71 030	43 875
Depreciation	283 445	287 872
Impairment of investments	135 690	-
(Loss)/profit in associate companies	3 018	(5)
Adjustment to operating lease asset	(576)	(8 726)
Donation of property, books and equipment	(16 787)	(4 578)
Operating income before changes in working capital	348 808	452 077
Change in working capital	61 019	15 377
(Increase)/Decrease in trade and other receivables	(82 073)	2 246
Increase in inventories	(1 739)	(846)
Increase in trade and other payables and staff benefits	144 255	5 250
Decrease in operating lease asset	576	8 726

24. CASH AND CASH EQUIVALENTS

Cash generated by operations

Favourable bank balances	192 205	278 634
Short-term investments in cash	581 910	473 490
	774 5	752 124

409 825

467 454

The average interest rate on cash and cash equivalents for 2017 amounts to 8,1% (2016:8%).

The University's facilities at banks, reviewed annually	204 932	171 055

As 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.

25. FINANCIAL RISK MANAGEMENT

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

25.1 BUSINESS RISKS

The main business risks of the University, as identified by Management, are as follows:

- The pace of transformation and broadening of accessibility.
- Growing pressure on the unearmarked government subsidy to universities.
- Infrastructure constraints and the high cost of the ongoing maintenance of facilities and science equipment.
- Pressure on study fees due to sector wide protest actions (#FeesMustFall).
- Sector-wide fee regulation.

These risks are monitored continuously and appropriate steps are taken to manage them optimally.

25.2 MARKET RISK

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

(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 especially in US dollar, 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% as at 31 December 2017, with all other factors remaining unchanged, the surplus for the year would have increased/(decreased) as follows:

CHF			
EURO			
GBP			
SEK			
USD			

Forward foreign exchange contracts are entered into to manage exposure to exchange rate fluctuations in respect of certain transactions. A cautious approach to forward cover is maintained. On 30 November 2015, the University Council approved that exchange rate losses which arise due to the difference between the exchange rates used for budgeting purposes, and the actual exchange rate at which the Library's foreign payments are incurred, will be funded from the exchange rate profit generated from foreign investments. 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 2017	Rand value 2017	Foreign exchange 2016	Rand value 2016
	000	R000	000	R000
Trade receivables				
CHF	2	28	-	-
SEK	-	-	32	46
EURO	82	87	54	770
GBP	82	I 337	33	542
USD	396	4 794	588	7 931
Net foreign exchange asset		7 346		9 289

R000	R000
2017	2016

l I	-
59	39
67	27
-	2
240	397
367	465

2017	2016
R000	R000

(b) PRICE RISK

The University is exposed to price risk in terms of listed investments available for sale. Should the share price of the equity component of the portfolio rise/fall by 10,0% as at 31 December 2017 and all other factors remain unchanged, the fair-value reserve for listed shares would have increased/decreased by R720,3 million (2016: R658,6 million). A securities exchange ("bond exchange") rise or fall of 10,0% as at 3I December 2017 would have resulted in an increase/ decrease of R93,8 million (2016: R70,2 million) in the fair-value reserve for capital market instruments. The University is not directly exposed to commodity price risk.

(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 3I December 2017 and 2016.

Should the interest rate on balances at banks as at year-end increase/decrease by IOO basis points, the surplus for the year would have increased/decreased by R7,7 million (2016: R7,5 million).

Should the interest rate on interest-bearing investments as at year-end increase/decrease by IOO basis points, the surplus for the year would have increased/decreased by R7,4 million (2016: R6,0 million).

Should the interest rate on the bank facility for the financing of the University's various motor vehicle schemes increase/decrease by IOO basis points as at year-end, the surplus for the year would have decreased/increased by R0,4 million (2016: R0,4 million).

25.3 LIOUIDITY RISK

Transparent liquidity risk management implies the maintenance of sufficient cash and marketable securities, as well as the availability of credit facilities.

In order to cover possible liquidity risks, the University is in a position to realise long-term investments at short notice. Cash investments amounting to R223,9 million (2016: RI09,8 million) have also been included in long-term investments.

Current assets	037 77	1 018 273
Current liabilities	I 060 804	885 253
Operating capital ratio	0,98	1,15

Financial liabilities

	Carrying amount	Contractual cash flow	< I year	I-5 years	> 5 year
31 DECEMBER 2017	R000	R000	R000	R000	R000
Interest-bearing borrowings	213 489	747 311	34 102	159 005	554 204
Trade and other payables	599 081	599 081	599 081	-	-
Total financial liabilities	812 570	1 346 392	633 183	159 005	554 204
31 DECEMBER 2016					
Interest-bearing borrowings	158 239	486 839	20 374	131 605	334 860
Trade and other payables	546 133	546 133	546 133	-	-
Total financial liabilities	704 372	I 032 972	566 507	131 605	334 860

25.4 CREDIT RISK

Credit risk mainly arises from outstanding student fees and student loans, trade receivables and cash resources. The largest component of outstanding student fees is due by former students. Trade receivables consist of a large number of clients and their creditworthiness is evaluated continuously by the University. Cash surpluses are invested only at reputable financial institutions. As at 31 December 2017 and 31 December 2016, there was no material credit risk for which adequate provision had not been made. Trade and other receivables are shown net of any allowance for credit losses.

25.5 ESTIMATION OF FAIR VALUE

The fair values of listed investments available for sale are based on guoted market prices as at year-end. The guoted 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 as 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 and allowances for credit losses are deemed as their fair values. Fair value measurements are disclosed in accordance with the hierarchy below:

Level I	Quoted prices in terms of active markets for
Level 2	Inputs other than guoted prices obtained dire
Level 3	Inputs for assets and liabilities not based on a
Level 3	Inputs for assets and liabilities not based on

Assets as at 31 December 2017 shown at fair value:

Capital markets
Equities
- Listed shares
- Unlisted shares
Money market
Other

C

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 relevant valuation techniques. As at 31 December 2016 government bonds, listed shares, fixed deposits and other investments were classified as level I and unlisted shares as level 2.

The fair value of financial instruments not traded on the securities exchange ("bond exchange") is determined by means of relevant valuation techniques. These techniques mainly take into account available market data. The use of entity-specific estimates is limited. Should inputs comprise available market data only, the instrument is shown at 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.

25.6 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.

26. STAFF BENEFITS

CONTRIBUTIONS TO THE UNIVERSITY OF STELLENBOSCH RETIREMENT FUND (USRF)

USRF, established on I November 1994 and 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 fund's assets amounted to R3 733,2 million (2016: R3 341,0 million) as at 31 December 2017, and members totalled 3 570 (2016: 3 545). Membership contribution rates vary from 10% to 35% of pensionable earnings. The actuaries declared the fund financially sound.

Total contributions paid amounted to R234,5 million (2016: R208,I million). The most recent audit had been done for the year ended 31 December 2016 and an unqualified opinion was expressed.

- identical assets and liabilities.
- rectly (prices) or indirectly (derived from prices).
- available market data.

Level I	Level 2	Level 3	Total
R000	R000	R000	R000
938 052	-	-	938 052
7 202 658	-	-	7 202 658
-	2 724	-	2 724
743 049	-	-	743 049
2 224	-	-	2 224
8 885 984	2 724	-	8 888 708

OTHER BENEFITS

Post-retirement medical benefits are provided to certain retired employees. Access to this benefit is limited to employees appointed before | 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 as at 31 December 2017. The most recent valuation was performed on 18 January 2018. The next actuarial valuation will be performed no later than 1 January 2019.

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

	2017	2016
Discount rate	9,9%	9,9%
Consumer price index	6,8%	7,3%
Medical inflation	8,8%	9,3%
Salary inflation	8,3%	8,8%
Expected average retirement age	65,0	65,0
Age difference between principal member and spouse:	4,0	4,0
Income at retirement	75,0%	75,0%
Proportion married at retirement	75,0%	75,0%
Group life proportion married at retirement	90,0%	90,0%
Maximum age for orphan contributions	21,0	21,0
Continuation at retirement	100,0%	100,0%

Reconciliation of the carrying amount:

	2017			2016		
	Medical liability	Group life insurance	Total	Medical liability	Group life insurance	Total
	R000	R000	R000	R000	R000	R000
Liability at the beginning of the year Adjustments in the consolidated income statement:	573 921	52 385	626 306	526 491	4 4 3	567 904
- Current service charges	6 688	3 007	9 695	6 543	2 292	8 835
- Interest charge	54 987	5 064	60 05 1	54 573	4318	58 891
- Expected contributions payable by the employer Actuarial (gain)/loss adjustments in the	(34 516)	(2 353)	(36 869)	(30 767)	(2 004)	(32 771)
consolidated statement of comprehensive income	(13 170)	5 789	(7 381)	17 081	6 366	23 447
	587 910	63 892	651 802	573 921	52 385	626 306

The actuarial (gain)/loss is attributable to the following:

Change in real discount rate

- Change in expected cost inflation
- Change in demographic assumptions
- Change in membership numbers and details

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

Continued members In-service members

The expected increase in the liability (including long-service benefits) for the next 12 months is R32,0 million (2016: R33,4 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.

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

Active members

Total liability

Summary of data for five years of:

Current value of liability Actuarial (gain)/loss due to experience

27. INCOME TAX

The University is exempted from normal income tax in terms of section IO(I)(cA)(i) of the Income Tax Act. Some of the subsidiaries of the University are, however, liable for tax. Refer to note 9.

2017	2016
R000	R000
(32 462)	(8 893)
(254)	8610
16 917	16 314
8 418	7 416
(7 381)	23 447
463 619	439 432
188 183	186 874
651 802	626 306

3 3 8	3 275
655 120	629 581

2017	2016	2015	2014	2013
R000	R000	R000	R000	R000
655 120 (254)	629 581 8 610	571 105 (28 378)	546 735 10 726	495 756 31 698

28. RELATED-PARTY TRANSACTIONS

28.1 THE INSTITUTIONS BELOW ARE DEEMED RELATED PARTIES OF THE UNIVERSITY The consolidated financial statements as at 31 December 2017 includes the following trusts and partnerships:

TRUSTS AND PARTNERSHIPS

Name of Trust / Partnership	Nature of activities	Loan R
Stellenbosch Trust	Fund recruiting and investing of donations	Zero
The Stellenbosch Development Trust	Investment of property for educational and research activities	Zero
Stellenbosch Law Faculty Trust	Promotion of Law Faculty for access to members of the general public	Zero
Stellenbosch Financing Partnership	Loan of funds in accordance with partnership agreement	Zero

The University has the following investments in unlisted subsidiaries as at 31 December 2017:

UNLISTED SUBSIDIARIES

			Book value of interest	
Name of company	Nature of activities	Effective shareholding	Investment R	Loan R
Unistel Properties (Pty) Ltd	Dormant	100%	Zero	Zero
InnovUS Technology Transfer (Pty) Ltd	Commercialising of intellectual property and sources from the University for research, educational and community interactions	100%	Zero	5 983 580

InnovUS Technology Transfer (Pty) Ltd, a wholly-owned subsidiary of the University, has the following investments in unlisted subsidiaries and associates as at 31 December 2017:

UNLISTED SUBSIDIARIES AND ASSOCIATES

			Book value of	interest
Name of company	Nature of activities	Effective shareholding	Investment R	Loan R
USB Executive Development Ltd	Development and presentation of executive development programmes and provision of consultation services	54,8%	4 317 980	Zero
Aquastel (Pty) Ltd	Development of aqua culture	100%	1 000	Zero
Sun Media Stellenbosch (Pty) Ltd	Publishing and printing services	55%	1 000	Zero
Unistel Medical Laboratories (Pty) Ltd	Providing human and animal genetic, diagnostic and testing services	35%	4 586 000	Zero
Unistel Technology (Pty) Ltd	Dormant	100%	1 000	Zero
Stellenbosch University Sport Performance Institute (Pty) Ltd	Providing of sport related services	100%	1 000	913 490
Stellenbosch Nanofiber Company (Pty) Ltd	Commercialising of nanofiber technology	22,3%	2 992 000	Zero
Stellenbosch Wind Energy Technologies (Pty) Ltd	Commercialising of wind energy technology	74%	1 000	Zero
GeoSUN Africa (Pty) Ltd	Service providers to the solar power industry	25%	417 000	Zero
LaunchLab (Pty) Ltd	Support on campus through networking opportunities, mentorship and affordable leasing tariffs in an entrepreneurial environment	100%	I 000	Zero
Surfactant Medical Technologies (Pty) Ltd	Development of patented synthetic lung technology	50%	1 000	Zero
Custos Media Technologies (Pty) Ltd	Development of technology to dissuade consumers from illegally sharing purchased media	26,3%	1 701 000	Zero

UNLISTED SUBSIDIARIES AND ASSOCIATES Continued

			Book value of interest	
Name of company	Nature of activities	Effective shareholding	Investment R	Loan R
Sun Magnetics (Pty) Ltd	The development and sale of inductance extraction and magnetic field calculation software for integrated circuit verification (including superconducting integrated circuits)	40%	48	Zero
Bridgiot (Pty) Ltd	The development of an internet of things platform aimed at connecting household and other electronics to the cloud	36,5%	400	Zero
Vulamanz (Pty) Ltd	The use of a patented Capillary Ultrafiltration Membrane Nanotechnology to produce high quality drinking water	40%	733 187	Zero

Members of the executive management are also deemed related parties of the University. Refer to note 15 for a list of the executive management members and payments made to them during the year.

28.2 TRANSACTIONS WITH RELATED PARTIES

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

28.2.1 Income

From subsidiaries: Distribution of earmarked donations from Stellenbosch Trust Services Interest and dividends

28.2.2 Expenditure

To subsidiaries: Services Interest Contribution made

28.2.3 Amounts outstanding as at year-end

Receivable from:

Subsidiaries

Payable to: Subsidiaries

28.2.4 Loans granted to related parties

Stellenbosch University Sport Performance Institute (Pty) Ltd InnovUS Technology Transfer (Pty) Ltd

The loan to Stellenbosch University Sport Performance Institute (Pty) Ltd bears interest linked to prime and has fixed terms for repayment. The loan to InnovUS Technology Transfer (Pty) Ltd bears no interest and has no fixed terms for repayment.

2017	2016
R000	R000

274 296	375 542
35 964	35 103
202	147
310 462	410 792
33 903	32 235
227	162
4 198	-
38 328	32 397
72 180	78 234
7 085	3 789
/ 085	3 789
012	1 210
913 5 984	3 8
6 897	3 8

Annual Integrated Report **GLOSSARY**

2016 R000

29. CONTINGENT LIABILITY

The University guarantees a percentage of the outstanding amount on mortgage loans of qualifying employees. The maximum exposure as at year-end amounts to R24 829 (2016: R69 535).

30. COMPARATIVE FIGURES

Government bonds, previously disclosed as a separate category under long-term investments, and other bonds, previously included in other investments (refer to note 6), were reclassified as "Capital market" investments during 2017. As a result, the 2016 figures were adjusted to reflect these changes. The impact is as follows:

Decrease in Government bonds	(576 736)
Decrease in Other investments	(106 997)
Increase in Capital market investments	683 733

31. GOING CONCERN

The consolidated annual financial statements have been prepared on the going concern basis as the Council has every reason to believe that the University has sufficient resources in place to continue with operations for the next twelve months.

32. SUBSEQUENT EVENTS

Between the year-end and the date of the approval of the consolidated annual financial statements, no material facts or circumstances have arisen that materially affect the financial position of the University.

33. BROAD-BASED BLACK ECONOMIC EMPOWERMENT (BBBEE)

The University measures its BBBEE status against the generic scorecard criteria of the Department of Trade and Industry, excluding the ownership criteria. Per the most recent evaluation of the University's BBBEE status, which was performed in May 2017, the University obtained a score of 64.62 and subsequently attained a level 8 contribution status.

A . I I	
A-rated researcher	Researchers who are regarded as wo
graduate attributes	 In order to create sustainable hope in with desirable and enduring attribute has an enquiring mind (accepts resknowledge; thinks critically and creaters) is an engaged citizen at the local, reaters opportunities for others as is a dynamic professional (applies a problems; innovates; uses sustainab) is a well-rounded individual both so growth – cultural, intellectual and in considered decisions).
black	In this report, the word black signifies Asian''.
blended learning	A collaborative system of learning that mobile applications with face-to-face mobility (<i>anywhere access</i>). Blended least staff and students, while also improvin
business model	An organisation's system of transform to fulfil the organisation's strategic pu
cluster hub	All students not staying in residence a Organisation. The wards are grouped communities. For each of these cluste completed, namely amaMaties and W as residence students, such as mento
designated groups	People who are black African, coloure
flipped classroom	The flipped classroom is a pedagogic of a course are reversed. The term is provides pre-recorded lectures follow
Horizon 2020	The European Union's biggest resear science and industrial leadership, and variety of projects over a seven-year three to four years per project.
income stream	The University's financial capital was are numbered for ease of reference. <i>first-stream income</i> : state subsidy; <i>second-stream income</i> : student and <i>third-stream income</i> : earned from (a <i>fourth-stream income</i> : philanthropic A <i>fifth income stream</i> was recently ac leveraging and commercialising the U
indirect cost recovery	A general practice in the higher educ costs associated with externally fund a surcharge for legal, financial, human library services, as well as support wi
interpreting	The class is presented entirely in eith translates the lesson into the other la and students listen to the lecture thr
knowledge and other partnerships	The University establishes relationshi organisations, local governments or n Western Cape Department of Healt churches (Theology), Elsenburg (Agri formal memorandum of understandi

orld leaders in their respective research fields.

n Africa, Stellenbosch University seeks to equip every graduate es in the course of his or her studies. A Stellenbosch graduate: sponsibility for lifelong learning and the application of eatively);

regional and global level (acts accountably towards society icient leadership; participates in a diverse, multilingual society; a social entrepreneur);

and communicates knowledge; seizes opportunities and solves ole and efficient technologies; behaves ethically); and

socially and intellectually (utilises opportunities for personal in sports; seeks enriching experiences; takes informed and well-

black African only and not "black African, coloured, Indian and

at integrates technologies such as web-based, satellite and learning and teaching for greater flexibility (anytime access) and learning enhances interaction amongst students, and between ing access to resources.

ning its business activities into outputs and outcomes that aims urposes and create value over the short, medium and long term.

are assigned to one of the ten wards of the Private Students' into six clusters with nearby residences to form student ers, a hub is being built, of which two have already been Vimbledon. In this way, day students can enjoy the same benefits r support and a well-appointed place to go to between classes.

red, Indian and Asian (BCIA).

cal model in which the typical lecture and homework elements widely used to describe almost any class structure that wed by in-class exercises. (Educause, February 2012)

rch and innovation funding programme to promote excellent to tackle social challenges. Funding is made available to a period – from 2014 to 2020 – generally in a framework of

until recently divided into four income (money) streams, which The four streams depend upon different financial inputs:

accommodation fees paid by students:

contract) research and related consultation contracts; and donations and bequests.

dded.This is a newly pursued income stream generated from Jniversity's assets more effectively.

cation sector that enables the University to recover the indirect led projects (third-stream income) from its clients by means of n resources, research management, information technology and vith intellectual property matters.

ner Afrikaans or English, and an interpreter simultaneously anguage. The interpreter uses a headset or hand microphone, ough earphones.

ips through formal, institutional partnerships with civil society municipalities, the Western Cape provincial government, the th, the national departments of Defence and Military Veterans, iSciences), etc. These partnerships are usually informed by a

language policy and plan	Available at www.sun.ac.za/language.
module	A module is a set of classes or lectures, seminars or practical sessions forming a unit within a subject.
parallel-medium instruction	Instruction is offered in separate classes in Afrikaans and in English.
postgraduate bachelor's degrees	Bachelor's degrees which may be taken as second bachelor's qualifications, e.g. BPhil and the two- and three-year LLB degrees. This excludes Bachelor Honours degrees.
programme	A combination of modules making up a curriculum for a degree qualification, for example BA, BEd, BEng, BAcc, BSc. Also known as learning programme, instructional programme or study programme. We differentiate between undergraduate programmes – the first university qualification in a certain field of study – and postgraduate programmes – programmes that follow on the first qualification, for instance postgraduate diploma, honours, master's and doctorate. We also differentiate between diploma programmes and certificate programmes.
schedulable lecture halls	Venues that can be booked via our administrative system within the constraints of the University's schedule and resources.
society-centred scholarship	A scientific and societal approach to social impact, utilising transdisciplinary collaborative methodologies to build capacity.
total-cost approach	In the context of facilities management, an approach that acknowledges that the organisation commits to a comprehensive chain of costs when procuring a specific facilities solution. By taking into account first costs (capital investment, purchase and installation) as well as future costs (energy, operating, maintenance, capital replacement and financing), this approach helps minimise overall costs by benchmarking them against alternatives.
viable sourcing	The University's viable sourcing model, as an alternative to insourcing, strikes a sound balance between the provision of decent and dignified jobs on the one hand and financial sustainability on the other. Coming into effect with the expiry of existing contracts, the model enables the University to transparently determine the optimal solution for the supply of essential-services, such as cleaning services, to SU. The model relies on the principles of human dignity; sustainability of SU; financial feasibility; transparency and confidentiality; stakeholder inputs; signing of a code of conduct; corporate governance; and best mutual benefit.
Vision 2030	The University, as a 21st century institution, plays a leading role in the creation of an advanced society. Our goal of inclusivity focuses on the talents and contributions of individuals; innovation deals with the need specifically to address the challenges of a more sustainable future creatively; the energy of students and academics is directed at creating the future imaginatively from courageous efforts to tackle current problems and issues actively; discovery happens when theory and practice are interwoven in the education process; and the Stellenbosch experience delivers thought leaders that have a better insight into world issues, an innovative unlocking of creative abilities to solve problems, and an encouragement of meaningful action to serve society through knowledge. This all happens in a context of transforming the University to be future fit and globally competitive. (<i>Stellenbosch University Institutional Intent and Strategy 2013–2018</i>)

STRATEGIC MANAGEMENT INDICATORS EXPLAINED		
	STRATEGIC STRATEGIC ATEGIC MANAGEMENT INDICATOR HOW THE MANAGEMENT INDICATOR (SMI) IS CALCULATED	
Share of students from black African, coloured, Indian and Asian popula- tion groups (%)		For a given year, determine the number of students who are registered at the University on the official census date (A). Determine the total number of students from the black African, coloured, Indian and Asian population groups who are registered at the University on the official census date (B). Calculate the SMI as (B) divided by (A).
Broaden Access	Share of permanent staff from black African, coloured, Indian and Asian population groups (%)	For a given year, determine the total number of permanently employed staff members (only primary appointments) on the official census date (A) in the Salaries HR group. Determine the total number of permanently employed staff members (only primary appointments) from the black African, coloured, Indian and Asian population groups in the Salaries HR group who are in service on the official census date (B). Calculate the SMI as (B) divided by (A).
	Share of female permanent staff (%)	For a given year, determine the total number of permanently employed staff members (only primary appointments) on the official census date (A) in the Salaries HR group. Determine the total number of permanently employed female staff members (only primary appointments) in the Salaries HR group who are in service on the official census date (B). Calculate the SMI as (B) divided by (A).
	Share of undergraduate module credits taught in Afrikaans and English to PARALLEL class groups (%) ⁴	Add the credits of the modules offered in Afrikaans and English to PARALLEL class groups, excluding NQF level 8 modules and Faculty of Military Science modules (A). Add the credits of all the modules, excluding NQF level 8 modules and Faculty of Military Science modules (B). Then calculate the indicator as (A) divided by (B) × 100.

TRATEGIC	MANAGEMENT INDIC	ATORS EXPLAINED Co
RATEGIC	STRATEGIC MANAGEMENT INDICATOR	HOW THE MANAGEMEN
Sustain Momentum of Excellence	Share of undergraduate module credits taught in BOTH Afrikaans and English to the SAME class group (%) ⁴	Add the credits of the mod group, excluding NQF level Add the credits of all the m Science modules (B). Then calculate the indicato
	Share of undergraduate module credits taught in EITHER Afrikaans OR English to a class group (%) ⁴	Add the credits of the mod excluding NQF level 8 mod Add the credits of all the m Science modules (B). Then calculate the indicato
	Permanent teaching and research staff with doctorates (%)	For a given year, determine research staff on the officia employed CI staff with a d Calculate the SMI as (B) div
	Ratio of weighted research outputs per full-time equivalent teaching and research staff member	For a given academic year, on number of accredited public determine the number of or equivalent research and tea Calculate the SMI as [1×(A
	HEMIS-based success rate of undergradu- ate and postgraduate students (%)	For a given year, determine determine the number of f Calculate the SMI as (B) div
Enhance Social Impact	Ratio of full-time equivalent students, weighted per level of study, per full-time equivalent teaching and research staff member	For a given academic year, equivalent students (A), the (B), the number of registered of registered doctoral stude equivalent teaching and rest Calculate the SMI as [I×(A)]
	Third-stream income ¹ share of SU's total income ² (%)	For a given year, determine the total third-stream incor (A).
	Fourth-stream income share of SU's total income ² (%)	For a given year, determine the total fourth-stream inco (A).
	Share of personnel remuneration not financed via the main budget (%) ³	For a given year, determine determine the number of f Calculate the SMI as (B) div

Notes

- 1. Third-stream income excluding return on investments and realised profit from the sale of assets.
- 2. Total income excluding return on investments and realised profit from the sale of assets.
- 3. Stellenbosch University manages its funds to ensure that it remains in higher education as a going concern. Funds consist of limited and unlimited funds. Limited funds consist of operational, loan, donor and fixed-asset funds with specific conditions for use. Unlimited funds are those which Council uses at its own discretion. In the pool of unlimited funds are funds which are earmarked for specific purposes and can therefore not be used for other purposes. The difference between future limited and unlimited funds may have an impact on the feasibility of the 2017 to 2022 targets which have been set.
- 4. These SMIs are new indicators and replace two former medium of instruction SMIs.

NT INDICATOR (SMI) IS CALCULATED

dules offered in BOTH Afrikaans and English in THE SAME class el 8 modules and Faculty of Military Science modules (A). modules, excluding NQF level 8 modules and Faculty of Military

or as (A) divided by (B) \times 100.

odules offered in ONLY Afrikaans or English to a class group, odules and Faculty of Military Science modules (A). modules, excluding NQF level 8 modules and Faculty of Military

or as (A) divided by (B) \times 100.

e the total number of permanently employed teaching and al census date (A). Determine the total number of permanently doctoral qualification on the official census date (B). ivided by (A).

determine the number of masters' degrees awarded (A), and the lication units produced by SU (B). For the same academic year, doctoral qualifications awarded (C), and the number of fulltimeaching staff members (D).

(A+B) + 3x(C)] divided by D.

e the total number of fulltime-equivalent (FE) students (A). Then fulltime-equivalent (FE) degree credits for the same year (B). ivided by (A).

; determine the number of registered undergraduate and full-time he number of registered honours and full-time equivalent students red master's full-time equivalent students (C), and the number dents (D). For the same year, determine the number of fulltimeesearch staff members (E).

A) + 2x(B) + 3x(C) + 4x(D)] divided by E.

he the total revenue from all income streams (A). Then determine ome (B) for the relevant year. Calculate the SMI as (B) divided by

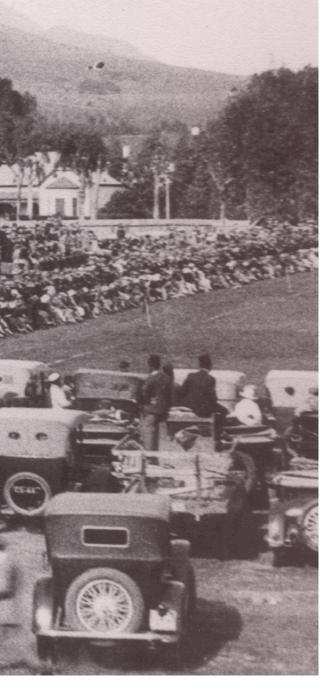
he the total revenue from all income streams (A). Then determine come (B) for the relevant year. Calculate the SMI as (B) divided by

he the total number of fulltime-equivalent (FE) students (A). Then f fulltime-equivalent (FE) degree credits for the same year (B). livided by (A).

ADDREVI	TIONS
ARC	Audit and Risk Committee of Council
ARUA	Alliance for Research Universities in Africa
ВА	Bachelor of Arts
BEd	Bachelor of Education
BEng	Bachelor of Engineering
BSc	Bachelor of Science
BScHons	Bachelor of Science Honours
BEdHons	Bachelor of Education Honours
BCIA	black (African), coloured, Indian and Asian
CHS	Campus Health Service
DHET	Department of Higher Education
dti	Department of Trade and Industry
FMHS	Faculty of Medicine and Health Sciences
GEC	Global Engagement Centre
HEMIS	Higher Education Information Management System
СТ	information and communication technology
F	Institutional Forum
FRS	International Financial Reporting Standards
<ir></ir>	Integrated reporting
IS	Stellenbosch University Institutional Intent and Strategy 2013–2018
King III	King Report on Governance for South Africa 2009 and the King Code of Governance Principles for South Africa 2009
King IV	King IV Report on Corporate Governance for South Africa 2016
nGAP	New Generation of Academics programme
NRF	National Research Foundation
NSFAS	National Student Financial Aid Scheme
РСТ	patent cooperation treaties
PhD	Doctor of Philosophy
Prof	Professor
SANDF	South African National Defence Force
SARChI	South African Research Chairs Initiative
5MI	strategic management indicator
SRC	Students' Representative Council
SU	Statements representative Council
SUNCEP	Stellenbosch University Centre for Pedagogy
SunCom	Stellenbosch University Commercial Services
THRIP	Technology and Human Resources for Industry Programme
TIA	Technology Innovation Agency
UCT	University of Cape Town
UP	University of Cape Town
UPE	University of Port Elizabeth – today Nelson Mandela Metropolitan
	University
JWC	University of the Western Cape
Wits	University of the Witwatersrand

The cover photo shows the old Pavilion

rugby fields where rugby games were played until September 1930. Thereafter rugby games and athletics meetings were moved to Coetzenburg Today, the Jan Marais square (better known as the Red square) and the SU Library, Wilcocks and Carnegie buildings are where the Pavilion fields once were. In October 1919, the University bought the piece of land between Jannie Marais' farm Coetzenburg and the University's farm Welgevallen with the view to develop enough sport fields.





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Editorial team

Mattie van der Merwe (editor), Desmond Thompson (writing Chancellor's, Chair of Council's and Rector's reports), Faiza Majiet and Reinet Uys (financial report).

Editing, writing and translation: Hendrien Rust-Swanepoel

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