

# ANNUAL REPORT 2014



UNIVERSITEIT  
STELLENBOSCH  
UNIVERSITY



## OUR JOURNEY TOWARDS INTEGRATED REPORTING

Stellenbosch University first embarked on its journey to integrated reporting a few years ago. Global discourse on integrated reporting has been zestfully underway for a number of years. At the heart of this groundswell of interest and experiment is the realisation that a far wider range of factors determine the value and future of an organisation than financial profitability alone. Indeed, who today dares defend the single bottom line?

Some factors that contribute to the value of an organisation are financial and tangible, and therefore easy to add up or subtract, but many others are not so easy to account for. In a university environment, our intangibles predominate – consider our human capital, our intellectual expertise, our student material, our supporting environment of natural resources, our expanding and contracting markets and competition, our brand and evolving reputation, our indispensable partnerships. These, and more, make up the sum total of assets with which we create and sustain value.

And integrated reporting enables us to communicate in a clear and concise way how we use our capitals to generate value in the short, medium and long term.

Via our all-encompassing, integrated reporting, we hope to show our numerous stakeholders how we try to allocate resources, manage risks and grasp opportunities in the best possible way. Stellenbosch University – like so many other organisations, both corporate and public – is still en route ... We hope to improve our understanding of true materiality and true accountability across the board of our multiplicity of operations, and we hope that integrated thinking will 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. The University hopes to have a fully integrated report for the year 2015.

### OUR SCOPE AND BOUNDARIES

This report covers the full scope of University operations over the traditional reporting period, 1 January to 31 December 2014. To this we add a few months more – until March 2015 – to enable us to include our graduation data.

### APPROVING OUR ANNUAL REPORT

The acting Rector and his Management Team are closely involved in the writing and compiling of the annual report. Our Audit and Risk Committee of Council examines the annual report and approves the report with adjustments to be tabled at the University Council meeting in May, where the report is considered before consent is given to publish.

### WHAT YOU WILL FIND IN THIS REPORT

Since we are travellers along a path, our report still contains elements of the conventional annual report. At the same time we also comply with the revised Regulations for Reporting by Public Higher Education Institutions as published in the *Government Gazette* No. 37726 of 9 June 2014. You will find financial facts and figures about our operations over the 2014 financial year and 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 specifically highlight the value created over the reporting period in line with selected strategic priorities identified in the University's Intent and Strategy document for 2013–2018. This focus on value accords with the principles provided by the International <IR> Framework of the International Integrated Reporting Council (IIRC), which believes that "communication about value creation should be the next step in the evolution of corporate reporting".

Stellenbosch University subscribes to the principles of leadership, sustainability and corporate citizenship as contained in the King Code of Governance (King III) and our consolidated annual financial statements are prepared in accordance with the relevant policies of International Financial Reporting Standards (IFRS).



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Like the five stars of the Southern Cross, our five values – leadership in service of others, shared accountability, empathy, innovation, excellence – steer us on our journey towards realising our VISION 2030 of becoming inclusive, innovative and future focused. We are steady on our chosen course *en route* to our goal with the Institutional Intent and Strategy as our map and the Institutional Plan as our practical navigator's notes.

# MESSAGE FROM THE CHANCELLOR



Approximately five centuries ago, a knowledge revolution shook the world to its core. In contrast to the handwritten manuscripts carefully copied and preserved in monasteries and universities, the 16th century saw books being printed even in local languages (no longer Latin alone). The printing press became an instrument for political and cultural change, among others causing the then Catholic church to lose its hold over Northern Europe. As the church was no longer able to exercise censorship as easily as it had done in the era of handwritten books, its knowledge monopoly started to disintegrate.

Although we did not experience that historic period ourselves, there certainly are comparisons to be drawn with the rapid development of digital and social media over the past five to ten years. In the 21<sup>st</sup> century, society and, more specifically, universities find themselves in the centre of a similar information revolution. Technology has brought extraordinary advancement in respect of the availability of information as well as the way in which we communicate. For higher education institutions, where the use of information to generate knowledge is a core function, this revolution presents particular challenges, but also wonderful opportunities.

Traditional university systems will have to adjust to drastic changes in the way students obtain and use information and exchange ideas. In our university town, options to expand physically and, therefore, in student numbers are constrained by environmental factors, costly real estate and an increase in construction and other institutional costs. However, technology has made geographical boundaries fade, and location no longer has to be a barrier for any institution or student. This holds exciting possibilities for higher education in South Africa and on the rest of the continent.

On the other hand, a technological revolution offers the same opportunities to all top universities, who will compete for the same market. Globally, universities also face economic, social and political changes that require fresh and innovative thinking, inter alia relating to a competitive programme offering, relevance and added value, funding, diverse campus communities and sustainability.

Fortunately, Stellenbosch University has the benefit of visionary leadership and decision-making aimed at the future, a stable support structure, excellent governance mechanisms and a reputation as an established institution of excellence to weather rough seas. In addition, the institution

is extremely resilient. This was clearly illustrated in 2014, when the University suddenly lost its Rector and Vice-Chancellor, Prof Russel Botman.

In the *Institutional Intent and Strategy 2013-2018* (IIS), he personally articulated his legacy as follows: "The country will be a better place if we tackle the challenges of the 21<sup>st</sup> century in the spirit of 'making hope happen'."

This approach has since been turned into a strategic priority in terms of which the University seeks to enhance its impact on the South African society. The excellence and relevance of the institution is evident from the way it creates, develops and shares knowledge, from its innovation and entrepreneurship, and its embrace of the technological revolution.

## Dr Johann Rupert Chancellor

In December 2014, Dr Johann Rupert was reappointed as Chancellor of Stellenbosch University for a second five-year term. Dr Rupert, the University's fourteenth Chancellor, has been serving in this capacity since November 2009. His second term will terminate on 30 November 2019.





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# OUR INSTITUTION

## Vision 2030

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

## 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-oriented 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.

## INSTITUTIONAL INTENT AND STRATEGY 2013–2018

### STRATEGIC PRIORITIES

Broaden  
access

Sustain  
momentum of  
excellence

Enhance  
societal  
impact







# GOVERNANCE

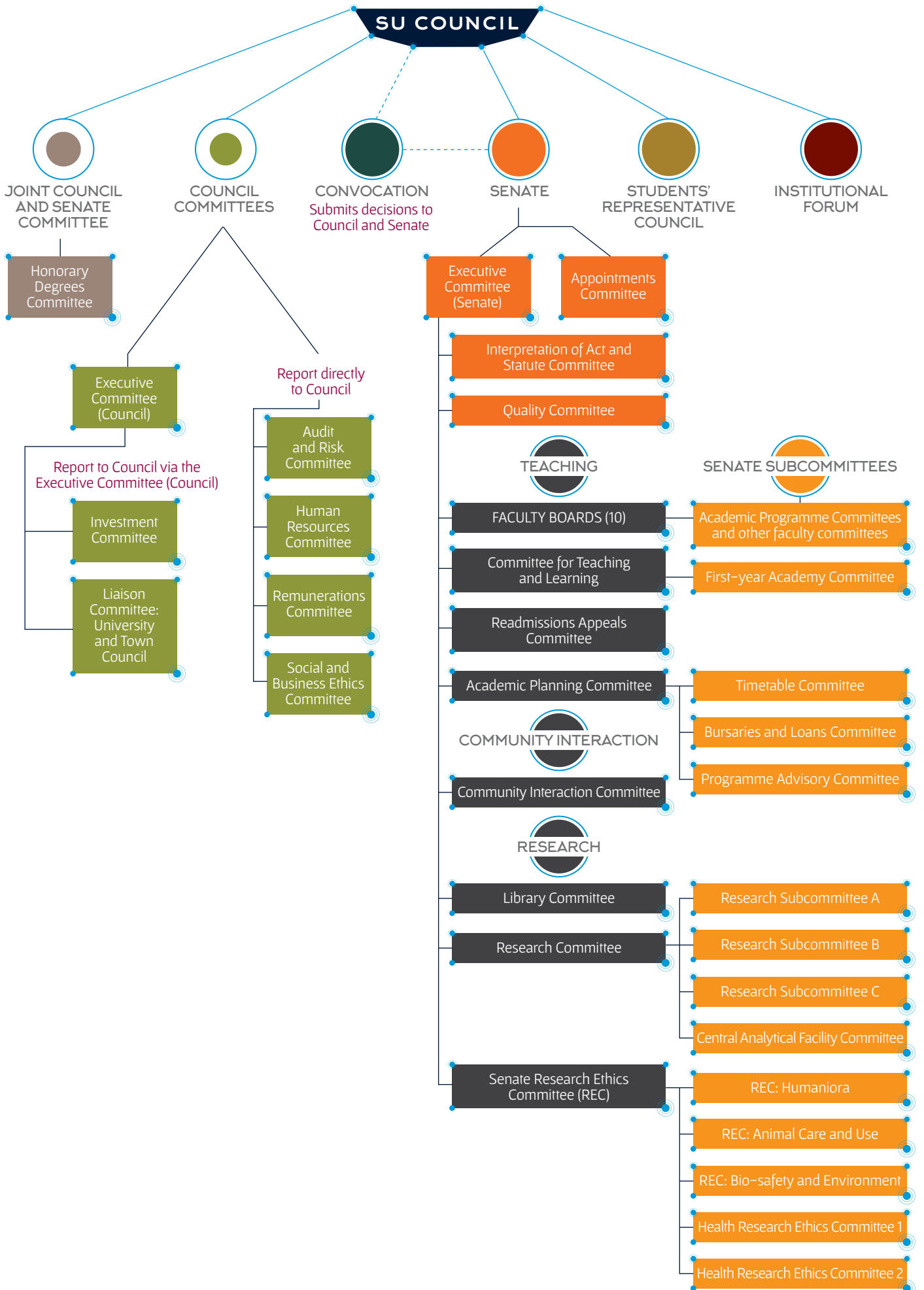
We think and act in new and different ways and make good choices and decisions for ourselves, and for our stakeholders, the country, the continent and the planet.







## OUR GOVERNANCE STRUCTURE



# THE UNIVERSITY COUNCIL AS AT 4 MAY 2015

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.

## RECTOR AND VICE-CHANCELLOR

- ■ ◆ ■ Prof WJS de Villiers (56), MBChB (cum laude), MMed (Int) (cum laude) (Stell), FCP (SA), DPhil (Oxon), MHCM (Harv) (*Term of office:* 01.04.2015–31.03.2020)

## CHIEF OPERATING OFFICER

- ◆ Prof L van Huyssteen (64), BScAgricHons, MScAgric, PhD (Agric) (Stell) (*Term of office:* 01.04.2013–31.12.2016)

## VICE-RECTOR (COMMUNITY INTERACTION AND PERSONNEL)

Vacant

## VICE-RECTOR (LEARNING AND TEACHING)

Prof A Schoonwinkel (58), BEngHons, MEng (Stell), MBA (UCT), PhD (Stanford), PrEng  
(*Term of office:* 01.09.2012–31.08.2017)

## VICE-RECTOR (RESEARCH AND INNOVATION)

Prof TE Cloete (56), BScHons, MSc (UOFS), DSc (UP)  
(*Term of office:* 01.09.2012–31.08.2017)

## ELECTED BY THE PERMANENT ACADEMIC STAFF (NON-SENATE MEMBERS)

Prof A van der Merwe (50), BEng (Mechanical), MEng (Industrial), PhD (Eng) (Stell)  
(*Term of office:* 01.09.2014–31.08.2016)

## ELECTED BY THE PERMANENT NON-ACADEMIC STAFF

- Ms G Arangies (52), BCom (UPE), MBA (cum laude) (Stell)  
(*Term of office:* 06.04.2014–05.04.2016)

## ELECTED BY THE INSTITUTIONAL FORUM

Vacant

## ELECTED BY THE MINISTER OF HIGHER EDUCATION AND TRAINING

Prof A Keet (51), MEd (UWC), PhD (UP)  
(*Term of office:* 01.12.2014–30.11.2018)  
Prof PG Maré (69), BAHons (UN), BAHons, MA (Wits), PhD (UN) (*Term of office:* 25.09.2014–24.09.2018)  
Ms TS Lingela, BA (Fort Hare), BEd (Rhodes), MEd (UDW, USA) (*Term of office:* 01.01.2014–31.12.2018)



## ELECTED BY CONVOCATION

- Dr JP Bekker (63), BAHons (Stell), LLB (Wits), MBA (Columbia, USA), DCom honoris causa (Stell)  
(*Term of office:* 02.04.2012–01.04.2016)  
Prof WAM Carstens (63), MA, DLitt (Stell)  
(*Term of office:* 02.04.2014–01.04.2018)
- Dr GC du Toit (55), MBChB, FCOG (SA), MMed (Stell), Subspecialist Gynaecological Oncology (HPCSA)  
(*Term of office:* 02.04.2014–01.04.2018)
- ◆ ▼ Prof DP du Plessis (60), BSc (UCT), MBA (cum laude), DBA (Stell) (*Term of office:* 02.04.2012–01.04.2016)  
Mr PJ le Roux (31), BComHons (Stell)  
(*Term of office:* 02.04.2012–01.04.2016)  
Mr JG Theron (52), BA Law, LLB (Stell)  
(*Term of office:* 02.04.2014–01.04.2018)

## ELECTED BY SENATE

- Prof ASM Karaan (47), MScAgric, PhD (Agric) (Stell)  
(*Term of office:* 01.01.2014–31.12.2015)  
Prof NN Koopman (54), BA, DTh (UWC)  
(*Term of office:* 01.01.2014–31.12.2015)
- Prof JH Knoetze (62), BEng, PhD (Eng) (Stell)  
(*Term of office:* 01.01.2014–31.12.2015)

## APPOINTED BY THE COUNCIL OF THE MUNICIPALITY OF STELLENBOSCH

Mr C Jooste (60), BCom (Unisa), BEd (UWC), Teacher's Diploma in Commerce (CPUT)  
(*Term of office:* 25.09.2014–24.09.2018)

## ELECTED BY THE DONORS

- ■ ■ Mr GM Steyn (56), BA Law, LLB (Stell)  
(Chair from 02.04.2012)  
(*Term of office:* 02.04.2014–01.04.2018)
- ■ ■ Prof PW van der Walt (68), BScBEng, MEng, PhD (Stell)  
(Vice-Chair from 07.05.2012)  
(*Term of office:* 02.04.2014–01.04.2018)
- ◆ ▼ Mr JJ Durand (49), BAccHons (Stell), MPhil (Oxon), CA (SA) (*Term of office:* 02.04.2012–01.04.2016)



#### ELECTED BY THE PREMIER OF THE WESTERN CAPE PROVINCIAL GOVERNMENT

- ▲ Mr AP van der Westhuizen (57), BCom, HED, MEd (Stell)  
(Term of office: 01.08.2014–31.07.2018)

#### ELECTED BY COUNCIL

- Mr AV Moos (37), BA, BPhil Journalism, MBA (Stell)  
(Term of office: 05.05.2014–04.05.2018)
- ▲ Mr J van der Westhuizen (58), BCom, HED (UPE),  
BEdHons (Unisa)  
(Term of office: 05.05.2014–04.05.2018)
- Ms K Njobe (45), Biology (UCLA, USA), MSc (Zoology)  
(UP), MTE (IMD, Switzerland)  
(Term of office: 05.05.2014–04.05.2018)

#### ELECTED BY THE STUDENTS' REPRESENTATIVE COUNCIL

- Mr S Laing (23) (Term of office: 01.01.2015–31.12.2015)
- Mr W Groep (23) (Term of office: 01.01.2015–31.12.2015)

#### THE FOLLOWING NON-COUNCIL MEMBERS WERE APPOINTED AS ADDITIONAL MEMBERS OF THE AUDIT AND RISK COMMITTEE

- ▼ ▲ Mr JP Bester, BComHons (Acc) (Stell), BComHons  
(ManAcc), BComHons (InformSys) (UCT), CA (SA)
- ▼ Mr BHJ Wessels, BCompt (Unisa), GIA (SA)
- ▼ Mr H van der Ahee, BEng (Chem), BAcc, BComHons  
(Taxation) (Stell), BComptHons (UNISA), CA (SA)

#### THE FOLLOWING NON-COUNCIL MEMBERS WERE APPOINTED BY COUNCIL AS MEMBERS OF THE INVESTMENT COMMITTEE

- ◆ Mr GT Ferreira, BCom, MBA (Stell)
- ◆ Mr JF Mouton, BComHons, CTA (Stell)
- ◆ Mr PG Steyn, BCom, LLB (Stell)
- ◆ Mr MM du Toit, BScAgric, MBA (Stell)
- ◆ Ms E Meaker, BAHons (Stell)

#### THE FOLLOWING NON-COUNCIL MEMBERS WERE APPOINTED BY COUNCIL AS MEMBERS OF THE SOCIAL AND BUSINESS ETHICS COMMITTEE

- ▼ ▲ Mr JP Bester, BComHons (Acc) (Stell), BComHons  
(ManAcc), BComHons (InformSys) (UCT), CA (SA)
- ▲ Dr T Theron, BScHons (cum laude), MSc (cum laude),  
PhD (Stell)
- ▲ Prof P Naudé, LicTheol (cum laude), MA, DTh (Stell)

- Members of the Executive Committee of Council
- ▼ Members of the Audit and Risk Committee of Council
- Members of the Human Resources Committee of Council
- ◆ Members of the Investment Committee of Council
- Members of the Remuneration Committee
- ▲ Members of the Social and Business Ethics Committee of Council





## THE RECTOR'S MANAGEMENT TEAM AS AT 31 DECEMBER 2014

The Rector, Chief Operating Officer and Vice-Rectors are the executive management of the University. They are ex officio members of the University Council and Senate. The Registrar is responsible for the academic administration of the University and is ex officio a member of Senate.



### ACTING RECTOR AND VICE-CHANCELLOR, AND CHIEF OPERATING OFFICER

Prof Leopoldt van Huyssteen  
BScAgricHons, MScAgric,  
PhDAgric. Joins the University  
in 1999; appointed as Chief  
Operating Officer in 2013



### VICE-RECTOR (LEARNING AND TEACHING)

Prof Arnold Schoonwinkel  
BEngHons, MEng, MBA, PhD,  
PrEng. Joins the University in  
1988; appointed as Vice-Rector  
(Learning and Teaching) in 2012



### VICE-RECTOR (RESEARCH AND INNOVATION)

Prof Eugene Cloete  
BScHons, MSc, DSc. Joins the  
University in 2009; appointed  
as Vice-Rector (Research and  
Innovation) in 2012



### ACTING VICE-RECTOR (COMMUNITY INTERACTION AND PERSONNEL)

Prof Mohammad Karaan  
BScAgricHons, MScAgric, PhD (Agric). Joins the University in 1996; appointed as Dean of the Faculty of AgriSciences in 2008 and acting Vice-Rector (Community Interaction and Personnel) from May 2014 to April 2015

## SUPPORT STAFF



### CHIEF DIRECTOR: STRATEGIC INITIATIVES AND HUMAN RESOURCES

Prof Tobie de Coning  
MBA, PhD. Joins the University in  
1983; appointed as Chief Director:  
Strategic Initiatives and Human  
Resources in 2007



### REGISTRAR

Mr Johann Aspelng  
BComHons, MCom, HED. Joins the  
University in 1979; appointed as  
Registrar in 2001



### EXECUTIVE ASSISTANT TO THE RECTOR

Prof Monique Zaahl  
BSc, BHonsMedSc, MMedSc, MBA,  
PhD. Joins the University in 2003;  
appointed as Executive Assistant to  
the Rector in 2012



# REPORT OF THE CHAIR OF THE UNIVERSITY COUNCIL



In this annual report, reference is made to the *Institutional Intent and Strategy 2013–2018* (IIS) as Stellenbosch University's (SU) roadmap. Such a map supposes that we have embarked on a journey and that a chosen and clearly defined destination awaits us in the future. In this process, we – as the University Council – have a responsibility to exercise general oversight over academic and operational matters, but particularly also over institutional policy and strategy.

Council has a statutory duty to ensure legal compliance and effective governance within the University as a public education institution. This is what we report on later in the document – please page to the section "University Council's statement on corporate governance" in the financial report. Here, I give an overview of the high-level guidance that Council has provided in respect of current affairs, but especially also the strategic decisions that had to be taken for the sake of Stellenbosch University's sustainability and long-term significance.

In 2013, Council adopted the IIS with Vision 2030 as the final destination, and – as strategic indicators along the way – broadening access, sustaining momentum of excellence and enhancing our societal impact.

On 28 June 2014, however, the University lost its leader with the untimely passing of Prof Russel Botman. Amidst the shock and sadness, Council had to ensure that the institution remained on course, while the process to appoint a new Rector and Vice-Chancellor had to be initiated as a matter of urgency. For the very first time in the University's history, a Rector passed away in office. Through his visionary leadership, Prof Russel Botman put SU on a course on which excellent research and teaching are to be utilised to make a difference in the community and society at large. Vision 2030 – to be inclusive, innovative and future-focused – is part of Prof Botman's legacy, and following his death, Council has unequivocally stated our intention not to deviate from it.

With Council's inputs and approval, the University's destination increasingly began to take shape and the

strategic priorities to get us there were identified. Although our Vision works towards a time horizon of 2030, we need to pass a number of milestones along the way, including the objective of 49,5% representation for coloured, black and Indian students in our undergraduate student body by 2020.

Once the IIS was adopted, Council's next step was to request management to draft a related Institutional Plan 2015–2020 (IP), which was approved on 1 December 2014. This plan was submitted to the Department of Higher Education and Training in January 2015 and will serve as the yardstick against which activities during 2015 will be assessed. In this way, planning, budgeting, execution, reporting and measuring become a productive cycle, illustrating that strategy, risks, performance and sustainability are all inextricably linked.

In addition to adopting the IP as guiding document in order to achieve our strategic priorities, Council took a number of vital decisions on policy and strategy in 2014, which will determine Stellenbosch University's future positioning and will significantly strengthen its reputation as an academic institution of excellence in South Africa and Africa as well as an international role-player of note. Allow me to cite a few examples:

- The ageing of academic staff at universities is a worldwide phenomenon. The loss of academic expertise is a major risk for excellent research and teaching, which is why SU's Retirement Policy has been amended to raise the retirement age to 65, with the option of another five years of employment for staff members with exceptional competencies.
- The IIS is premised on the notion that the budget should support the strategic priorities. Therefore, Council approved management's budget requests for selected initiatives. In order to broaden access by expanding the scope and depth of the academic offering, R218,1 million was made available for information and communications technologies (ICT) and another R102,3 million for the recruitment programme to promote diversity. The lack of bursaries remains the largest barrier in the pursuit of greater diversity.



- For any academic institution, its physical infrastructure is an important strategic asset and a necessity for sustainable academic outputs and third-stream income. Old buildings and ageing infrastructure also pose certain risks. In 2014, Council approved a R2,23 billion budget to catch up on maintenance backlogs and refurbish facilities. Council granted nearly R1,3 billion from its own funds for this project, which will be phased in over a period of seven years.
- The adoption of the proposed Language Policy, which stipulates that Afrikaans shall be protected and promoted as an academic language within a multilingual university environment, while at the same time increasing the English offering, was a very special milestone for the University. It supports the principle of multilingualism, which also makes the institution increasingly accessible amidst perceptions that language is being used as an exclusionary mechanism. SU has also accepted the responsibility to promote Xhosa as an academic and colloquial language. The objective is to, within the next five years, increase the total number of module credits offered in Afrikaans and English to 75% each, by way of academic interpreting and parallel-medium teaching.
- The atmosphere and relative safety of Stellenbosch as a university town has always been a strategic asset for SU. Unfortunately, though, the increase in crime elsewhere in the country has spilled over to Stellenbosch also. Following a rise in the number of reported incidents in town, our students' safety on campus required special attention during the year under review. Apart from the more than R10 million spent on security cameras, a 24-hour control room and security vehicles in previous years, SU made available additional funds for added security measures in 2014, as well as another R2,2 million per year from the budget. Council shares management's sentiments that our students' safety is a top priority, which is why, following consultation with Senate, we have approved the abolishment of evening exams with effect from 2015.
- By taking a stand against isolated centres of excellence and inclusivity, Council has also sent out a very clear message for SU's numerous stakeholders: excellence and inclusivity should be embedded in our institution as a whole.

The 2014 reporting year was exceptionally challenging for the management of the University, as the Rector's Management Team was incomplete for the entire second semester. Apart from his responsibilities as Chief Operating Officer, Prof Leopoldt van Huyssteen acted as Rector and Vice-Chancellor from 28 June 2014 to 31 March 2015. On behalf of Council, I would like to thank him for his selfless service, as well as the three vice-rectors, Prof Arnold Schoonwinkel, Prof Eugene Cloete and Prof Mohammad Karaan, for their support. Many thanks also to all our Council members for their dedication, thorough preparation for scheduled and special meetings, and their constructive engagement with the University. I am privileged to lead such a team.

The process of appointing a new Rector and Vice-Chancellor was successfully finalised within six months. At the Council meeting of 1 December 2014, Prof Wim de Villiers, an alumnus of Stellenbosch University's Faculty of Medicine and Health Sciences, was appointed to this position. We wish him success for his term of office and look forward to continuing the journey with him.

**Mr GM Steyn**  
Chair of the University Council





# PERFORMANCE

In this chapter, the report of the acting Rector and Vice-Chancellor presents an overview on the University's performance as measured against our strategic priorities, our strategic management indicators and our 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 – provide a solid platform for the strategic direction that Stellenbosch University has embarked upon as a 21<sup>st</sup> century university. The direction is in line with the strategic priorities, themes and goals as set out on pages 6–7.

A portrait of Prof. Russel Botman, a Black man with grey hair and glasses, wearing a dark blue suit, white shirt, and a green and white striped tie. He is standing outdoors with his hands clasped in front of him. In the background, a large white banner features the text 'UNIVERSITEIT-STELLENBOSCH-UNIVERSITY' and 'HOPE PROJECT' in large, stylized letters, with a red circular logo containing a leaf design.

### Prof Russel Botman (1953-2014)

Prof Botman became Stellenbosch University's first black Rector and Vice-Chancellor in 2007. Under his visionary leadership, the HOPE Project was launched in 2010, emphasising social relevance for equal opportunities in academic and research excellence, and setting us on our present course. Vision 2030, adopted in 2013, is part of his legacy: that Stellenbosch University becomes an innovative, inclusive, and future-oriented institution.



# REPORT OF THE ACTING RECTOR AND VICE-CHANCELLOR



The year 2014 was a testing time for Stellenbosch University (SU). Halfway through the year we unexpectedly lost our helmsman, yet this large ship of an institution had to be kept on course. That we managed to achieve this says as much about Prof Russel Botman's legacy as it does about the characteristic camaraderie of Maties. It also made us realise anew what we have in our partners and friends – both locally and all over the world. Thank you for everyone's support and cooperation.

I now report on the six months before the ill-fated 28 June 2014, in my capacity for many years as member of the Rector's Management Team (RMT), the executive top management of SU, and also on the six months thereafter as acting Rector and Vice-Chancellor. This report also contains valuable contributions by my colleagues in order to present an integrated overview of the University.

The first part of this report provides background on the strategic objectives of the University, after which the second part takes a closer look at the practical realisation of these objectives and the associated challenges and risks.

## THE ORIGIN OF THE STRATEGIC OBJECTIVES OF STELLENBOSCH UNIVERSITY

We knew from the start that 2014 would be a watershed year. In 2013 we did the planning; now we had to put those plans into operation. In 2013 we said that we would become more inclusive, innovative and future oriented. For this we truly would need to broaden access, retain the momentum of our excellence, and have a bigger impact on society. These three intentions and their associated strategic priorities also form the cornerstones of the University's *Institutional Intent and Strategy 2013–2018* (IIS), which was approved by the University Council in 2013.

In the year under review we were given the green light for our first five-year rolling plan, the SU Institutional Plan 2015–2020, through which to carry out the IIS. Both the IIS and the Institutional Plan are underpinned by the University's new Vision 2030, which connects with the Constitution of the Republic of South Africa and our country's National Development Plan (NDP).

## Looking back – the broad strategic framework before the IIS

An institution's positioning is not plucked out of thin air. At SU there is a clear link between the course that the University currently is following and the University's *A Strategic Framework for the turn of the century and beyond*, which was approved in 1999.

In that document, the University acknowledged its "contribution to the injustices of the past, and therefore [committed] itself to appropriate redress and development initiatives". At his installation in 2007, Prof Botman undertook to lead the University to realise these new commitments. The University's HOPE Project, which was started under his leadership in 2010, was a core aspect of this and thoroughly fixed the predisposition of 'science for society' in the University's DNA.

When we had to take stock of our course anew in 2011 and 2012 in order to counter the challenges of rapid change in the 21<sup>st</sup> century, extensive consultation made us realise that we had to create inclusive and diverse experiences for students and members of staff to unlock their potential as thought leaders and enable them to promote knowledge in the service of all interested parties. This vision was included in the IIS in 2013, and in 2014 the emphasis fell on the realisation thereof by way of the Institutional Plan.

## Our present and future – practical implementation of the IIS through the Institutional Plan

One of the greatest responsibilities of leadership definitely is bridging the gap between theory and practice. As everyone knows, it is relatively easy to make plans; the realisation thereof is much more difficult. With the IIS on paper, the RMT and the rest of the University's managers therefore worked hard on a practical framework with which to realise this strategic plan systematically. It was in this manner that the Institutional Plan came into being.

If the IIS maps the University's route to the future, the Institutional Plan is the detailed navigator's notes and our values are our guiding stars, that help us to reach our destination as effectively as possible – in a seaworthy vessel, with all passengers on board.

A university of the 21<sup>st</sup> century should have a clear vision, as well as a supple business model, and strategies and plans to achieve its goals. The Institutional Plan directs all plans at





SU and therefore fits in between the IIS and the respective environment plans. This Plan gives new momentum to our work and our endeavour to achieve our goals in a sustainable manner.

The Institutional Plan is part of the University's annual governance cycle. The aim of it is to integrate SU's intentions, strategic priorities and strategic goals meaningfully and to coordinate them so that the University's scarce resources (staff, money, facilities and equipment) can be applied in a responsible and balanced manner. The Plan describes our expected outcomes and the concrete steps to achieve them.

### Monitoring on the way to our destination – 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 objectives. For each of our priorities, themes and objectives we describe specific strategic actions that are stipulated by each faculty and support service individually. The complete details are contained in the separate plans of each centre

of responsibility for putting the actions into operation. In these plans the faculties and support service divisions indicate how they will achieve the goals of the institution by way of their action plans.

These strategic actions do not function in isolation, however. All faculties and support services are jointly responsible for achieving the targets in the Institutional Plan and therefore work in an integrated manner according to our business model, which is reproduced in the IIS.

This integrated management model makes it possible to convert SU's institutional goals into a number of supporting functional objectives, which in turn are converted into differentiated environment objectives. For these environment objectives, specific outputs are negotiated and agreed upon with all SU members of staff. These agreements form the foundation for University-wide performance management. This leads to integrated and purposeful management at all levels of the University, and ensures that every staff member's behaviour and outputs are in keeping with the goals of the institution as a whole.

TABLE 1: STRATEGIC MANAGEMENT INDICATORS

Strategic Priority	Strategic Management Indicator	2008	2009	2010	2011	2012	2013	2014	2020 Target
Broaden Access	Share of students from coloured, black and Indian population groups (%)	31,4	32,4	32,9	32,9	33,1	34,6	36,6	45,8%
	Share of permanent staff from coloured, black and Indian population groups (%)	37,6	38,4	39,4	40,0	41,0	43,0	43,2	53,0%
	Share of female permanent staff (%)	51,9	52,1	52,5	53,5	54,0	54,9	55,9	60,0%
	Undergraduate instructional offering in English (%)				45,8	48,2	51,1	58,4	75,0%
Sustain Momentum of Excellence	Permanent teaching and research staff with doctorates (%)	61,3	57,5	57,0	60,5	61,3	60,8	61,8	64,0%
	Ratio of weighted research outputs per full-time equivalent teaching and research staff member*	1,82	1,74	1,75	1,83	2,41	2,33		2,44
	HEMIS-based success rate of undergraduate and postgraduate students (%)*	83,7	83,8	83,2	83,4	84,9	85,9		85,0%
	Undergraduate instructional offering in Afrikaans (%)				64,3	62,3	61,9	63,9	75,0%
Enhance Societal Impact	Ratio of full-time equivalent students, weighted per level of study, per full-time equivalent teaching and research staff member*	25,44	25,31	25,53	25,39	25,85	24,57		24,00
	Third-stream income share of SU's total income (%)	29,9	27,6	28,2	28,0	29,4	27,7	31,4	32,3%
	Fourth-stream income share of SU's total income (%)	5,6	7,5	6,1	6,5	5,9	5,6	5,2	10,0%
	Share of personnel remuneration not funded via the main budget** (%)	36,9	34,9	38,1	36,4	36,6	38,1	35,9	45,0%

\* 2014 results will be reported in 2015.

\*\* Funds consist of restricted and unrestricted funds. The difference between future restricted and unrestricted funds may affect the feasibility of the 2020 target. See "Available funds" page 27.

### Interpretation of the strategic management indicators in Table 1

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

Over the past seven years, we have progressed steadily with broadening access to the University. Thanks to wider implementation of parallel-medium instruction and interpreting, our English instructional offering increased from 51,1% in 2013 to 58,4% in 2014. This contributed towards the 2% rise in student diversity to 36,6% during the same period. Staff diversity (43,2%) has improved systematically, indicating that, despite the challenges, the University's efforts are bearing fruit (see "Improving staff diversity" on page 48). Female permanent staff has increased slightly to 55,9%, 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 on academic staff having doctoral qualifications. After dropping to 57% in 2010, the percentage of staff with doctorates increased to an all-time high of 61,8%, the second highest nationally. In 2013, each full-time equivalent teaching and research staff member produced an average of 2,33 weighted research outputs (accredited publications and master's and doctoral graduates). This is slightly less than the previous year, but still very good in comparison with the results recorded from 2008 to 2011. The success rate of our students, in other words, the percentage of students who passed the modules for which they had registered, was 85,9% in 2013, the highest in South Africa (see "Student success" on page 36). After initially dropping to 61,9%, the Afrikaans instructional offering increased to 63,9%, ensuring that Afrikaans students have the option to study in Afrikaans.

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 24,57 weighted full-time students serviced by each full-time permanent research and teaching staff member, the University maintained a healthy 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 sustain its income from sources other than the state subsidy, for example income from research, investment and commercialisation (31,4%) and from philanthropic donations (5,2%). The percentage of staff remuneration from these sources is 35,9%.

## GOAL ACHIEVEMENT AND RISK MANAGEMENT

To take up a position on the 21<sup>st</sup> century, we work unabatedly to broaden access to SU, maintain and extend our excellence, and increase our impact on society. Our eventual aim is to create a sustainable environment of inclusivity, innovation and future directedness. This endeavour is anchored in the University's core activities of learning and teaching, research and innovation, as well as community interaction.

The following section of my report offers a general overview of how the institution fared in 2014 in terms of the realisation of these objectives. Since these will be discussed extensively elsewhere in this Annual Report per centre of responsibility, only the highlights and a few other noteworthy matters are reproduced here. Risk management is anchored in all divisions and managed at their source. You will therefore find an explanation of our risk management model and an overview of our high-magnitude risks in the "Report on risk exposure, evaluation and management" on page 50.

### An accessible, inclusive institution with equal opportunities for all

One of the mission statements of SU is to create an academic community that is characterised by social justice and equal opportunities. This arises from the University's commitment to redress and development, as well as the point of departure that a diversity of people and ideas promotes academic excellence.

### Staff and student diversity

As far as the composition of our staff corps is concerned, diversity is improving. In 2014, the percentage of permanent SU employees from the coloured, black and Indian (CBI) population groups stood at 43,2%, in contrast to the 37,6% in 2008. The trend is therefore an upwards one, but the University will have to pick up the pace to achieve the target of 53% by 2020. The representation of women in our staff corps does not look too bad at first glance: in 2014, 55,6% of SU staff were women, in contrast to 51,9% in 2008. Yet the picture is less rosy if it is viewed on the basis of seniority. In June 2014, 179 of our professors were men, and only 48 were women. It is only at the level of lecturer – three levels lower down – that there are more women (191) than men (123). In order to manage this risk in relation to staff diversity, a task team has been appointed for the career promotion of women. Take a look at our statistics on staff diversity on page 48 of this Annual Report.

The SU student community also is increasingly diverse. In the six years from 2008 to 2014, our CBI student numbers increased from 31,4% to 36,6%. Our aim is 45,5% by 2020. There are encouraging signs that the necessary acceleration is taking place: in the year under review, for example, the target for CBI newcomer first-year students was exceeded by more than 5%. In the year under review, 32,3% of our undergraduate students and 46% of our postgraduate students were from the black, coloured and Indian group.



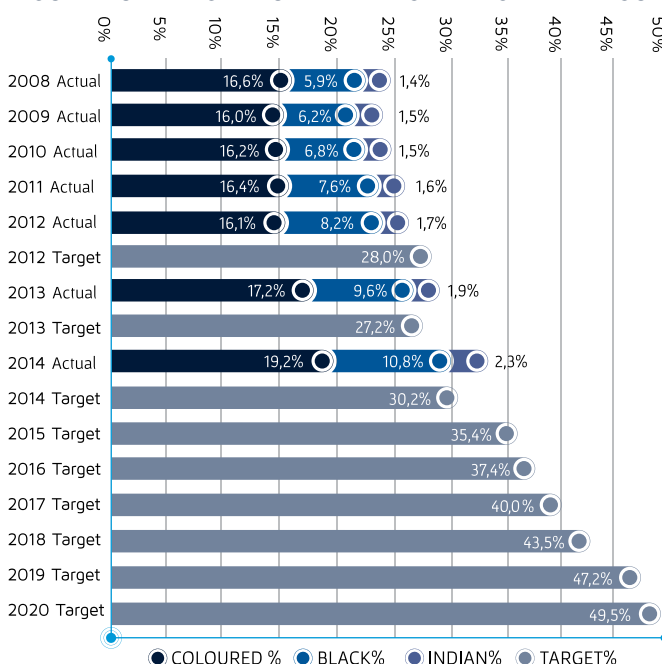
**TABLE 2: MINISTERIAL ENROLMENT AND EFFECTIVENESS TARGETS FOR 2019 AND STELLENBOSCH UNIVERSITY (SU) PERFORMANCE, 2012-2014**

	Ministerial Target	SU in 2012	SU in 2013	SU in 2014
Head count	27 510 in 2012 to increase to 30 809 in 2019, annual increase of 1,6% between 2012 and 2019	27 510	27 418	28 869
Full-time equivalent students	22 193 in 2012 to increase to 25 330 in 2019	22 193	21 803	22 476
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)	71 598	69 049	71 639
Newcomer undergraduates	5 230 in 2019, average annual increase of 4,1% from 3 936 in 2012	3 936	4 553	5 161
<b>Major fields of study in 2019 %</b>				
Science, engineering and technology	52,0%	47,9	48,0	48,2
Business and management	22,0%	21,6	21,2	21,5
Education	5,0%	5,7	5,9	5,8
Humanities	21,0%	24,8	24,9	24,4
<b>Levels of study %</b>				
Undergraduate	63,0% in 2019	60,0	61,5	61,5
Postgraduate below master's	12,9% in 2019	13,2	13,6	13,9
Master's	16,6% in 2019	18,4	17,2	16,5
Doctoral	4,7% in 2019	4,8	5,0	5,0
Occasional students		3,6	2,7	3,0
<b>Total graduates</b>	to increase from 7 681 in 2012 to 8 130 in 2019	7 680	7 529	7 570
<b>Graduates in scarce skills</b>				
Engineering	455 in 2019	447	434	487
Life and physical sciences	404 in 2019	464	441	447
Animal and human health sciences	438 in 2019	304	319	336
Initial teacher education	355 in 2019	441	437	444
<b>Graduates at different levels</b>				
Postgraduate below master's	2 706 in 2019	2 514	2 471	2 605
Research master's	867 in 2019	939	841	883
Doctoral	231 in 2019	240	225	234
<b>Targeted success rate %</b>	84% in 2019	84,9	85,9	85,1

### Interpretation of our performance when compared to the ministerial targets for 2019 in Table 2

Table 2 shows how Stellenbosch University fared in 2012, 2013 and 2014, measured against the enrolment and effectiveness targets set for the University for 2019 by the Minister of Higher Education and Training. These statistics were extracted annually from the Higher Education Management Information System (HEMIS) and submitted to the Department of Higher Education and Training that compares the performance of all universities in South Africa. Our success rate of 85,1% for 2014 exceeds the Minister's target of 84%.

**FIGURE 1: UNDERGRADUATE DIVERSITY PROFILE MEASURED AGAINST THE UNIVERSITY COUNCIL TARGETS**



### Interpretation of the comparative values in Figure 1

Figure 1 indicates how the University has progressed since 2008 with the diversity targets set by the University Council. The actual percentages of coloured, black and Indian students that have enrolled at the University over the past few years are given. Both the actual enrolments and the targets for 2012, '13 and '14 are indicated, and the annual targets until 2020 can be read from the target bars. Although we did not reach the target in 2012, we did achieve this in 2013 and even exceeded it in 2014 (see "Size and shape of the SU student corps" on page 37).





### Multilingualism

Language of instruction is one of the factors that influences accessibility. By not using just a single language, as is the case at most of the universities in the country, but rather maintaining multilingualism, we make SU accessible to both more students and academic staff. In November 2014, the University Council approved the institution's revised Language Policy and Plan. Important principles contained in this document include the following:

- SU uses language with a view to interacting with knowledge in a diverse society.
- The institution is committed to the use and sustained development of Afrikaans as an academic language in a multilingual context.
- At the same time, the teaching offering in English is being increased to place optimal learning and teaching at SU within the reach of any South African.
- SU also accepts responsibility to promote Xhosa as an academic and vernacular language as far as is judiciously possible.

Please read the report of the Vice-Rector (Learning and Teaching) on page 36 of this Annual Report for more information on the implementation of multilingualism at SU. For example, there has been great success with parallel-medium instruction and educational interpreting.

### Student fees

It is a reality that most CBI students are still very poor and depend on financial aid. Even parents from middle-class families across the entire spectrum of the population are finding it increasingly difficult to cover their children's student fees in full. SU is not insensitive towards our students and their parents' financial challenges and therefore tries to keep adjustments to study costs as low as possible.

In addition, SU offers financial support in the form of bursaries and loans. All students come into consideration for undergraduate merit bursaries, while recruitment bursaries are also made available to CBI students. Furthermore, any student can apply for financial assistance on the basis of need. Close on 37% of our students receive such aid. In 2014, R588 million was disbursed in student bursaries and loans, in comparison with R531 million in 2013. As far as we could determine, this is one of the highest figures of all universities in the country.

We experienced considerable challenges with financing from the National Student Financial Aid Scheme (NSFAS) in the year under review. It would appear that SU can expect less support from the NSFAS in the future and, in the light of our endeavour to recruit a more representative student corps, will need to make even greater provision for bursaries.

### Institutional culture

Few organisational aspects offer a more accurate reflection of an institution's inclusivity than its institutional culture. As indicated by the Soudien Report in 2008 (see the Glossary for more on this), the transformation policy and the culture of institutions are often contradictory. In order to promote inclusivity in practice, the University presented its second annual Diversity Week in 2014. (The first one took place at the initiative of the late Prof Botman in 2013.) The

logo of the event has been changed to depict the African continent and the initiative was held in association with the celebration of the country's 20-year-old democracy. Thousands of students and members of staff participated in this successful event.

As fate would have it, an incident shortly before Diversity Week underlined the urgent need for proactive interventions to bring about cultural and behavioural change. Three of our students were involved in a so-called blackface incident, which had considerable repercussions. After a thorough investigation it was found that the students, despite their lack of judgement, did not act out of racism. They apologised for their hurtful actions in public and undertook to participate in discussions in various student forums to help repair relationships. The incident was also included in house committee and annual discussions in the residences, the SU Listen, Live and Learn structures, leadership training and the welcoming programme in 2015. In this manner, a divisive incident was converted into a valuable learning experience for those involved and for the rest of the University community.

In December 2014, the SU Council decided that the Centre for Inclusivity, which was established in 2013, should no longer function as a separate entity, but would continue its work as part of a University-wide programme to anchor and promote inclusivity in every aspect of the University's activities in future. This is being done under the leadership of a programme coordinator who reports to the Rector.

### Thinking and acting anew to maintain SU excellence

The IIS describes innovation, one of our guiding values, as follows: "We think and act in new and different ways and make better choices and decisions for ourselves, and for our stakeholders, the country, the continent and the planet." The strategic priority associated with this is maintaining the momentum of excellence. This acknowledges the good work that has already been done for some time already and needs to continue in various fields at SU; simultaneously, we need to counter our challenges in creative, resourceful ways.

### Undergraduate, postgraduate and staff success

One of the greatest challenges facing a higher education institution is so-called access with success – how to broaden access, while at the same time ensuring that students are supported sufficiently to achieve success in their studies. SU maintains one of the best first-year retention and undergraduate success rates in the country – at 87% and 85,6% respectively. Yet the average performance of our group of CBI students continues to be lower than that of our white students:

Average first-year retention rate over 10 years	%
All students	87
Coloured students	82
Black students	78
Indian students	83
White students	89



This is ascribed to continuing inequalities in the school system, which means that many students start their university studies underprepared.

Our First-year Academy is one of the ways in which we counteract the abovementioned risk. This innovative initiative was launched in 2006 and has since then contributed to keeping our first-year retention rate at 86 to 87%. The First-year Academy entails, among others, early assessment and continuous, multifaceted, system-wide support. Each faculty has a learning and teaching coordination point where everyone at the University who comes into contact with first-year students – even from a support service environment – can jointly consider how best to offer support to students who perform poorly and to encourage top achievers to reach greater heights.

Another way in which we counteract this risk is through an improved mentoring system in clusters. The ten wards of the Private Students' Organisation are divided into groups (clusters) along with the residences. A building is being erected for each cluster (known as a hub), which will be a home for day students in particular and where they will be able to join the mentor programme. Two of the six envisaged buildings have already been completed, namely amaMaties and Wimbledon. Approximately 700 senior students already offer psychosocial mentor support and development to about 4 000 first-year students in small groups, with the wellness approach used as point of departure. The provisional results of a longitudinal study indicate that this initiative has a beneficial effect on the adjustment, inclusion and eventual growth and development of newcomer students. This applies to all six dimensions of wellness: intellectual, emotional, social, physical, spiritual and career.

Also, as far as postgraduate study is concerned, excellence is not only maintained, but extended innovatively. In 2014 we had 10 119 enrolled students, of whom 1 385 were doctoral candidates – in both cases an SU record. For the 2014 academic year, our staff produced a weighted research output of 2,97 and a publication output of 1,47 per head (data from 2013 reported in 2014), both the highest in South Africa.

Excellence is naturally not only limited to our students. With a view to the future we also try to appoint as many as possible young academic stars to our staff corps and to retain them. Our figures indicate that 88 of our senior members of staff will retire within the next five years and will therefore need to be replaced. At the same time we are trying to increase the number of full-time academic staff with doctorates. This figure peaked at 61,8% in 2014. We are hoping to raise it to 64% by 2020.

### Research

Excellence is also characteristic of the University's research outputs, of which the institution continues to produce the most per head of all universities in the country. Furthermore, the University is a national leader as far as patents that stem from our research are concerned, and in 2014 we could boast 13 A-researcher ratings from the National Research Foundation – the second highest in the country. For more information on this and more examples of excellence at SU, please read the report of the Vice-Rector (Research and Innovation) on page 41 of this Annual Report.

## Impact on and involvement in society ensure a better, brighter future

Through our HOPE Project, Stellenbosch University has shown how important relevance is for a university and we have learned how to apply academic excellence and research expertise to promote human development. This approach of 'science for society' is now a fundamental part of SU. We are building on this eagerly because this is how we can ensure a better life for future generations.

### SciMathUS

A good example is SciMathUS (Science and Mathematics at Stellenbosch University), an access-broadening programme of the Centre for Pedagogics in the SU Faculty of Education. The programme provides an opportunity for Grade 12 learners from educationally disadvantaged schools to improve their marks in Mathematics, Physical Sciences and Accountancy and thereby to qualify for admission to university study. In 2014, all 93 of SciMathUS's students passed the National Senior Certificate examinations in Mathematics and Physical Sciences, with 11 and six A symbols being awarded, and subject averages of 66% and 65% respectively. Since 2001, more than 1 100 students have completed the SciMathUS bridging programme successfully and 130 have graduated from SU since 2005. In December 2014, a SciMathUS alumnus, Dr Gerald Maarman (30), obtained a doctorate from the University of Cape Town after following the SciMathUS programme in 2003 and then graduating with BSc, Honours and MSc degrees from SU.

### Matie Community Service

Through the mechanism of community interaction, both research and learning and teaching at SU form part of our engagement with society. Community liaison is regarded as a core academic function of universities worldwide. One of our flagship programmes in this regard is Matie Community Service (MGD). MGD, which celebrated its 50th anniversary in 2014, helps SU to cherish and manage its relationships with communities by providing the means through which both parties can discover knowledge actively and learn from each other. In this way it offers our staff and students an opportunity to make a meaningful contribution to communities through volunteering.

### Cooperation with municipalities

Another mechanism through which the University provides in the development needs of communities is cooperative agreements with local authorities – particularly in rural areas. Over the past few years the University has entered into agreements with the municipalities of Stellenbosch in 2007, and Drakenstein and Hessequa in 2011. In 2014 the University also added the Saldanha Bay Municipality to its list of municipal partners. SU already has a presence in the Saldanha Bay environment through its Faculty of Military Science, which functions from the Military Academy of the South African National Defence Force. In this agreement, SU and the municipality have committed themselves to tackling the community's development needs together – SU through its available intellectual ability, and the municipality by way of its infrastructure.

### Rural platforms

Rural development is one of the priorities in the National Development Plan. About 38% of the country's population lives in rural areas, where poverty and inequality are often





worse than in rural areas. As a result of its large rural footprint, SU is well-placed to promote rural development, and therefore the establishment and development of rural platforms is one of the objectives in the IIS. Our first platform – in Worcester in the Western Cape – was established in 2012 and is becoming the University's fifth campus-in-becoming. The Ukwanda Rural Clinical School is the hub of this development, although a number of other faculties, departments, programmes and initiatives also provide community service there. Please consult the report of the Vice-Rector (Community Interaction and Personnel) on page 45 of this Annual Report for more information on this and other initiatives.

### Research collaboration on the continent

The University's role as knowledge partner for development extends much further than the borders of our country, however. SU is an important role player in research collaboration in Africa and has 180 active projects with 760 African partners in 43 African countries. This trend is in line with the finding of the Royal Society in 2011, that collaboration "enhances the quality of research, improves its efficiency and effectiveness, and is increasingly necessary as the scale of both budgets and research challenges grow". Collaboration between the global North and South has been the norm in international research collaboration for quite some time. At present, South-South cooperation is strengthening. This is the course to follow towards realising the vision of the African Union of "African solutions to African problems", as stated in its Agenda 2063.

### FINANCIAL OVERVIEW

Stellenbosch University is committed to strategic financial planning and management in view of the long-term financial sustainability of the institution. This strategic financial planning for sustainability is directed by the management mandate for the next five years. From 2014 the systemic emphasis falls on the priorities of the *Institutional Intent and Strategy 2013-2018* as adopted by Council on 9 April 2013. In terms hereof the allocation of sources is directed by three strategic priorities and the accompanying objectives as drivers for sustainability, namely broaden access, maintain momentum of excellence and increase impact on society.

The University succeeded in ending the 2014 financial year successfully amidst various factors which led to financial challenges that had to be overcome. Some of these factors were:

- the volatility of international economies and the impact on exchange rates, third and fourth-stream income<sup>1</sup>;
- the pressure on the South African economy; and
- the impact of the current economic situation on the affordability of study and accommodation fees for students.

The reporting year was mainly characterised by:

- investment income surpluses under the discretion of Council used for urgent strategic priorities which include bursaries, information and communication technology and the catch up on maintenance backlogs and strategic upgrading of facilities;
- total income growth of 32,7% (14,7% in 2013) to R5 391 million (R4 064 million in 2013), against expenditure which increased with 10,4% (7,1% in 2013) to R3 904 million (R3 536 million in 2013) in 2014;
- sharp income growth from private donations, grants and research contracts from 21,6% (3,1% in 2013) to R1 325

million (R1 090 million in 2013);

- approval by Council of a R2 230 million budget and a finance plan for the funding shortfall of R1 400 million to catch up on maintenance backlogs and strategically upgrade facilities;
- a total surplus of R1 487 million, against the surplus of R528 million in 2013 – a surplus mainly attributable to research and donation activities (third- and fourth-stream income) of which the use is restricted;
- a surplus of R538 million (R225 million in 2013) if investment income is excluded; and
- a surplus of R35 million (2013: R17 million) is attributable to academic activities mainly funded by unearmarked government subsidy income and student fees (first- and second-stream income), after distribution to environments' strategic and balance funds.

A total of R1 057 million of the abovementioned surplus is attributable to restricted funds Council has no discretion over. The surplus of R430 million in unrestricted Council funds can be attributed to, among others:

- actual income that exceeds the budgeted income in the University's first- and second-stream budget<sup>1</sup>;
- factors such as higher than budgeted income from interest earnings and profit realised on the disposal of investments; and
- conservative spending in respect of operating expenditure and salaries as a result of uncertainty about long-term income expectations for the University, where the subsidy formula for Higher Education Institutions is currently being reviewed.

The 2014 financial results is furthermore the result of, among others:

- conservative, integrated budget planning within a rolling six-year financial plan, including a contingency reserve to be able to manage unforeseen events;
- the continuous redesigning and aligning of operating processes to ensure greater cost-efficiency, especially in the area of physical facilities; and
- the provision of strategic funds in support of new initiatives directed at realising the vision and goals of the University.

The abovementioned successes offer a good base for continued proactive financial planning and the refining of the financial model serving the University's strategic goals and focus areas.

### Reporting standards

The Regulations for Annual Reporting by Higher Education Institutions were published in the *Government Gazette* by the Minister of Education on 9 June 2014, prescribing the framework, as well as the minimum standards and the format of reporting. These consolidated annual financial statements for the year ended 31 December 2014 were prepared in accordance with the regulations. In terms of Section 41(2) of the Higher Education Act, 101 of 1997 (as amended, as well as the Regulations for Annual Reporting by Higher Education Institutions dated 9 June 2014), universities are required to submit annual financial statements to the Education Department that comply with International Financial Reporting Standards (IFRS). The University elected to apply IFRS even before the new Regulations were published, with transitional date on 1 January 2004.

<sup>1</sup>Refer to definition of income stream on page 118





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, but has given additional instructions to the University's appointed external auditor, PricewaterhouseCoopers Inc., that must receive attention. These additional instructions include the audit of compliance legislation applicable to financial matters, financial management and other related matters, as well as the audit of performance against predetermined objectives, as agreed by the University and the Minister of Higher Education and Training. For the year under review, the ministerial enrolment targets as indicated

in Table 2 on page 21 were the only contracted objective with the Minister of Higher Education and Training.

Due to changes in accounting standards and policies, figures for previous years were restated in 2013. Reference to figures in previous years in this report indicates the restated figures as reported in the 2013 annual financial statements in each case.

### Income

The composition of the University's income per main component, expressed in value and ratio, appears in Table 3, with comparative figures for previous years.

**TABLE 3: GROWTH AND COMPOSITION OF INCOME, TOTAL AND PER MAIN COMPONENT, 2010-2014**

		2010	2011	Increase/ (Decrease) 2010 / 2011 %	2012	Increase/ (Decrease) 2011 / 2012 %	2013	Increase/ (Decrease) 2012 / 2013 %	2014	Increase/ (Decrease) 2013 / 2014 %
Total recurring income, of which:	Rm	3 110	3 421	10,0	3 544	3,6	4 064	14,7	5 391	32,7
Government grants	Rm	1 112	1 224	10,1	1 202	(1,8)	1 355	12,7	1 552	14,5
% of income	%	35,7	35,6		33,9		33,4		28,8	
Student, accommodation and other fees	Rm	682	786	15,3	863	9,8	986	14,3	1 074	8,9
% of income	%	21,9	23,0		24,4		24,3		19,9	
Private donations, grants and contracts	Rm	888	991	11,6	1 057	6,7	1 090	3,1	1 325	21,6
% of income	%	28,6	29,0		30,0		26,9		24,6	
Sales of services and products	Rm	50	67	34,0	68	1,5	79	16,2	193	144,3
% of income	%	1,6	2,0		1,9		2,0		3,6	
Realised profit on sale of investments	Rm	186	136	(26,9)	132	(2,9)	303	129,5	947	212,5
% of income	%	6,0	4,0		3,8		7,6		17,6	
Interest and dividends earned	Rm	189	196	3,7	214	9,2	237	10,7	289	21,9
% of income	%	6,1	5,7		6,0		5,8		5,5	

As is shown in Table 3, total income of a recurring nature increased with 32,7% (2013: 14,7%) to R5 391 million (2013: R4 064 million). If the profit realised on the disposal of investments is not taken into account, total income grew by 18,2%.

Government grants consist of unearmarked subsidy income and earmarked grants, where the unearmarked subsidy income is earned based on a calculation according to a formula of the Department of Higher Education and Training. This formula is currently being reviewed and it is still uncertain what the impact of the amended subsidy formula will be on the income of the University. The unearmarked subsidy income is brought into account in the income for the University's first and second money stream budget. Government grants also include grants from related government institutions, for example the National Research Foundation (NRF). Government grants increased with 14,5% (2013: 12,7%). 8% of the increase is attributable to an increase in subsidy, where the University received R41 million more than budgeted during 2014 and 5% is attributable to the increase in NRF grants for research at the University. The decrease in the share of government grants in the total income from 33,4% in 2013 to 28,8% in 2014, is largely attributable to the larger share of profit realised on the

disposal of investments. If the profit realised on the disposal of investments is excluded, however, there is still a decrease from 36,0% in 2013 to 35,0% in 2014.

Private donations, grants and contracts increased with 21,6% (2013: 3,1%) to R1 325 million (2013: R1 090 million). This increase is largely attributable to an increase in research grants and contracts, especially also from abroad, where the weakening of the rand led to increased income from contracts denominated in foreign currency. Donations increased with 8% from R196 million in 2013 to R212 million in 2014.

Given the uncertainty regarding the unearmarked subsidy income, it is important that the income stream in respect of private donations, grants and contracts will contribute more to the University's total income over time.



Income from student and other<sup>2</sup> fees increased with 8,9% from 2013. This growth was primarily due to the adjustment in student fees of 7,5% and growth in students of 4,4% above the budgeted growth of 0,4% (based on actual number of students). The fulltime equivalent growth in undergraduate students was 4,7% (increase of 0,7% budgeted) and in postgraduate students 3,5% (decrease of 0,7% budgeted). Factors such as the recent increasing costs of electricity, municipal rates and building costs above the normal consumer price index (CPI) had to be taken into account in the adjustment of student and accommodation fees. In spite of this, the University still absorbs a large part of the cost pressure of various services that have to be outsourced inevitably at price increases often exceeding the inflation rate.

The increase in student and other income is also coupled with increasing growth in the provision for irrecoverable student fees. While outstanding student debt is not growing faster than student fees, outstanding student fees at year-end amount to 14,1% of student and other fees (2013: 13,4%) and it remains a challenge to collect student debt timeously. SU has certain measures in place to manage outstanding student fees, including the following: students can, among others, not register for the next year of study before the previous year's outstanding fees are not settled, unless special arrangements are made. Students also do not receive their degree certificates before outstanding study fees are paid. The establishment of a collection office at the University during 2013 is already paying dividends, together with

improved control over methods to avoid anniversary of debt.

The sale of services and products increased with 144,3% in 2014. This is mainly attributable to income from USB Executive Development Ltd, a subsidiary of the University which is consolidated from 2014.

FIGURE 2: TOTAL INCOME PER MAIN COMPONENT (R5 391M)

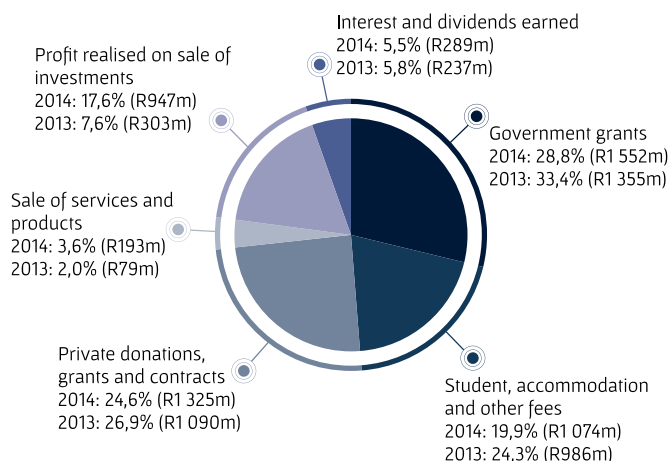


Figure 2 shows the composition of the University's income per main component. The large increase in profit realised on the sale of investments during 2014 resulted in the decrease of the other components' contribution to total income. If the profit realised on the sale of investments is, however, not taken into account, there was no material change in the contribution year on year.

## Expenditure

The composition of the University's expenditure per main component, expressed in value and ratio, appears in Table 4, with comparative figures for previous years.

TABLE 4: GROWTH AND COMPOSITION OF EXPENDITURE, 2010-2014

		2010	2011	Increase/ (Decrease) 2010 / 2011 %	2012	Increase/ (Decrease) 2011 / 2012 %	2013	Increase/ (Decrease) 2012 / 2013 %	2014	Increase/ (Decrease) 2013 / 2014 %
Total expenditure of recurring nature, of which:	Rm	2 718	2 877	5,9	3 302	14,8	3 536	7,1	3 904	10,4
Staff costs	Rm	1 198	1 302	8,7	1 455	11,8	1 602	10,1	1 730	8,0
% of expenditure	%	44,1	45,3		44,1		45,3		44,3	
Depreciation and amortisation	Rm	174	179	2,9	200	11,7	222	11,0	241	8,6
% of expenditure	%	6,4	6,2		6,1		6,3		6,2	
Finance charges	Rm	14	13	(7,1)	14	7,7	13	(7,1)	23	76,9
% of expenditure	%	0,5	0,1		0,4		0,4		0,6	
Bursaries	Rm	358	421	17,6	482	14,5	531	10,2	588	10,7
% of expenditure	%	13,2	14,6		14,6		15,0		15,1	
Rent, maintenance and repairs	Rm	88	105	19,3	123	17,1	129	4,9	147	14,0
% of expenditure	%	3,2	3,6		3,7		3,6		3,8	
Other operating expenditure	Rm	886	857	(3,3)	1 028	20,0	1 039	1,1	1 175	13,1
% of expenditure	%	32,6	29,8		31,1		29,4		30,0	

<sup>2</sup>Other fees include accommodation and membership fees, as well as other items that may be levied against student accounts, as approved by the Student Fee Committee.



Total expenditure for 2014 increased with 10,4% (2013: 7,1%) to R3 904 million (2013: R3 536 million). The University's continued improvement of budget and operating processes is aimed at greater cost-efficiency and improved service delivery.

Expenditure in respect of unrestricted funds grew with 8,6%, against total growth in expenditure of 10,4%. This slightly lower spending can be attributed to more conservative spending against the main budget (mainly funded from subsidy and study fee income) due to uncertainties in respect of longer term income expectations for reasons already indicated earlier in this review earlier.

The increase in staff costs of 8,0% can be attributed to, among others, a salary adjustment of 6,0% in 2014 for all qualifying staff, an average growth of 1% in the number of fulltime permanent staff and the adjustment of certain remuneration levels according to market comparisons relative to the base remuneration levels.

Bursary expenditure, which amounts to 15,1% (2013: 15,0%) of total expenditure, represents bursaries funded from external as well as internal sources.

**FIGURE 3: TOTAL EXPENDITURE PER MAIN COMPONENT (R3 904M)**

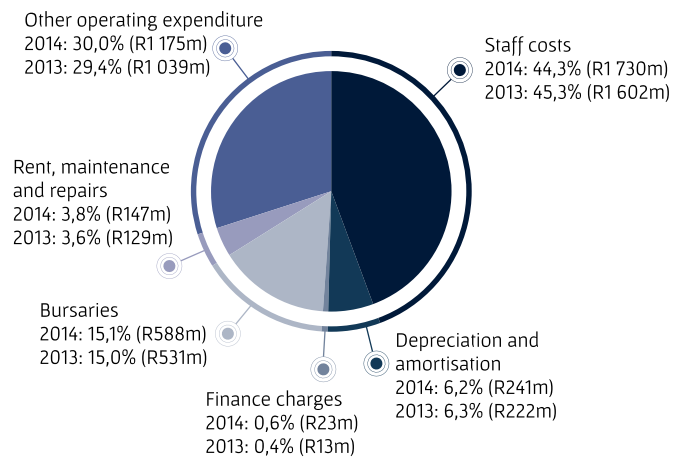


Figure 3 shows the composition of the University's expenditure per main component. There was no material difference in the composition of total expenditure during 2014 compared to 2013.

## 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. Within the pool of unrestricted funds are funds earmarked for specific purposes that cannot therefore be

applied for purposes other than what it is earmarked for without question. An example of this is, among others, the University's Insurance Reserve Fund for which separate regulations exist, determining the application thereof, as well as the Strategic Fund of the University and the balance funds of environments earmarked in accordance with approved environment plans for strategic and operating objectives. Table 5 below shows the growth in available funds and long-term investments over the past five years.

**TABLE 5: AVAILABLE FUNDS AND LONG-TERM INVESTMENTS, 2010-2014**

		2010	2011	Increase/ (Decrease) 2010 / 2011 %	2012	Increase/ (Decrease) 2011 / 2012 %	2013	Increase/ (Decrease) 2012 / 2013 %	2014	Increase/ (Decrease) 2013 / 2014 %
Available funds, of which:	Rm	7 227	7 711	6,7	8 344	8,2	9 639	15,5	10 636	10,3
Long-term investments	Rm	3 217	3 492	8,6	4 930	41,2	6 067	23,1	6 631	9,3
as % of available funds	%	44,5	45,3		59,1		62,9		62,3	

The net increase of R997 million in available funds from 2013 to 2014 represents an increase of R605 million in unrestricted funds, an increase of R840 million in restricted funds, a decrease of R466 million in the fair-value reserve and an increase of R18 million in minority interest in subsidiaries.

Restricted and unrestricted funds available are shown at book value in the statement of financial position. The increase in

unrestricted funds represents the disposal of investments (and therefore fair-value reserve) in order to make available funds allocated by the Council for specific strategies, including bursaries, information and communication technology and catching up on maintenance backlogs and strategically upgrading facilities. The disposal of investments of course results in decreased investment income in the long term.

The market value of available funds, should the fair-value reserve be apportioned, is as follows:

	2014 R000	2013 R000
Restricted funds	6 791 973	5 856 418
Unrestricted funds	1 287 056	1 242 810
Earmarked reserves	1 059 648	836 402
Unearmarked reserves	227 408	406 408
Funds available at market value	8 079 029	7 099 228

Council approved a R2 230 million budget and a finance plan for the funding shortfall of R1 400 million to catch up on maintenance backlogs and strategically upgrade facilities. Included in earmarked reserves is R297 million earmarked for maintenance backlogs and strategic gearing-up of the University's physical facilities by Council during 2014. The University's available funds and net asset value increased and is financially sound, but there are certain risks that have to be taken into account. Some of the most important risks identified are the unknown effect





the expected change in subsidy formula will have on the University's first money stream, the impact of the poor global economic situation on income from donations and research contracts, as well as students' ability to meet account commitments. The University will tackle these challenges through its strategic approach to financial planning and management.

### Liquidity

Transparent liquidity risk management implies the maintenance of sufficient cash and marketable securities, as well as the availability of credit facilities.

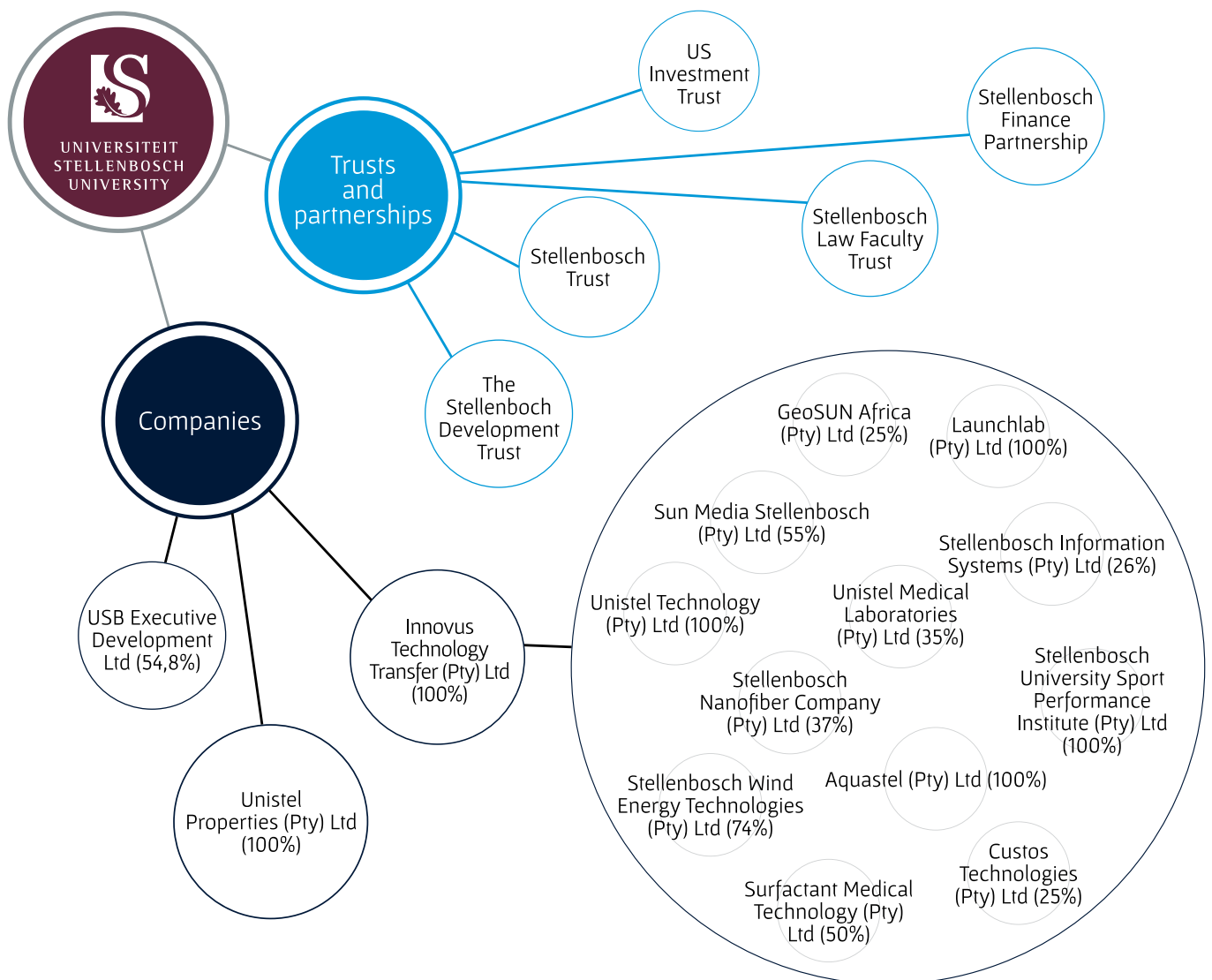
The ratio of current assets to current liabilities was as follows:

	2014 R000	2013 R000
Current assets	808 313	508 849
Current liabilities	706 645	757 439
Operating capital ratio	1,14	0,7

The University's liquidity position improved significantly. Cash investments amounting to R244 million (2013: R121 million), are also included in long-term investments. In order to cover possible liquidity risks the University is in a position to realise long-term investments at short notice.

### Investments in unlisted subsidiaries and associate companies

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





The consolidated financial statements as at 31 December 2014 include the following trusts and partnerships:

Name of trust:	Stellenbosch Trust
Nature of activities:	Fundraising and investment of endowment funds
Loan to trust:	Nil
Name of trust:	US Investment Trust
Nature of activities:	Dormant
Book value of interest:	
– Investment	R100
– Loan	Nil
Name of trust:	Stellenbosch Financing Partnership
Nature of activities:	Lending of funds in terms of the partnership agreement
Book value of interest:	
– Investment	Nil
– Loan	Nil

Name of trust:	The Stellenbosch Development Trust
Nature of activities:	Investment in property for teaching and research activities
Loan to trust:	Nil
Name of trust:	Stellenbosch Law Faculty Trust
Nature of activities:	Benefiting the Faculty of Law, which is accessible to members of the general public
Book value of interest:	
– Investment	R100
– Loan	Nil

The University had the following investments in unlisted subsidiaries as at 31 December 2014:

Name of company:	Unistel Properties (Pty) Ltd
Nature of activities:	Dormant
Effective shareholding:	100%
Book value of interest:	
– Shares	R1 000
– Loan	Nil
Name of company:	Innovus Technology Transfer (Pty) Ltd
Nature of activities:	Commercialisation of intellectual property and resources of Stellenbosch University for research, training and community interaction
Effective shareholding:	100%
Book value of interest:	
– Shares	R1 000
– Loan	R2 322 886

Name of company:	USB Executive Development Ltd
Nature of activities:	Development and presentation of executive development programmes and provision of consultation services
Effective shareholding:	54,8%
Book value of interest:	
– Investment	R4 317 980
– Loan	Nil

Innovus Technology Transfer (Pty) Ltd, a wholly owned subsidiary of the University, had the following investments in unlisted subsidiaries and associate companies as at 31 December 2014:

Name of company:	Aquastel (Pty) Ltd
Nature of activities:	Exploitation of aqua culture technology
Effective shareholding:	100%
Book value of interest:	
– Investment	R1 000
– Loan	Nil
Name of company:	Stellenbosch Information Systems (Pty) Ltd
Nature of activities:	Development and manufacture of microsatellites and satellite subsystems
Effective voting right:	26%
Book value of interest:	
– Investment	Nil
– Loan	Nil

Name of company:	Sun Media Stellenbosch (Pty) Ltd
Nature of activities:	Publishing and printing services
Effective shareholding:	55%
Book value of interest:	
– Investment	R1 000
– Loan	Nil
Name of company:	Unistel Medical Laboratories (Pty) Ltd
Nature of activities:	Provision of human and animal genetic, diagnostic and testing services
Effective voting right:	35%
Book value of interest:	
– Investment	R4 586 000
– Loan	Nil



Name of company:	Unistel Technology (Pty) Ltd
Nature of activities:	Exploitation of the Hysucat® and Hysuwac® trademark and water filter system
Effective shareholding:	100%
Book value of interest:	
– Investment	R1 000
– Loan	R4 970 143

Name of company:	Stellenbosch Nanofiber Company (Pty)
Nature of activities:	Commercialisation of nanofibre technology
Effective shareholding:	45%
Book value of interest:	
– Investment	Nil
– Loan	Nil

Name of company:	GeoSUN Africa (Pty) Ltd
Nature of activities:	Delivery of services to the solar power industry
Effective shareholding:	25%
Book value of interest:	
– Investment	R417 000
– Loan	Nil

Name of company:	Launchlab (Pty) Ltd
Nature of activities:	Support entrepreneurship on the campus through networking opportunities, mentorship and affordable rent in an entrepreneurship-friendly environment
Effective shareholding:	100%
Book value of interest:	
– Investment	R1 000
– Loan	Nil

Name of company:	Custos Media Technologies (Pty) Ltd
Nature of activities:	Provision of digital rights management on copyright digital material
Effective shareholding:	25%
Book value of interest:	
– Investment	R1 000
– Loan	Nil

Name of company:	Stellenbosch University Sport Performance Institute (Pty) Ltd
Nature of activities:	Delivery of sport-related services (commercialisation of sport assets)
Effective shareholding:	100%
Book value of interest:	
– Investment	R1 000
– Loan	R6 659 000

Name of company:	Stellenbosch Wind Energy Technologies (Pty) Ltd
Nature of activities:	Commercialisation of wind energy-generating technology
Effective shareholding:	100%
Book value of interest:	
– Investment	R1 000
– Loan	Nil

Name of company:	Surfactant Medical Technology (Pty) Ltd
Nature of activities:	Development of patented synthetic lung technology
Effective shareholding:	50%
Book value of interest:	
– Investment	R1 000
– Loan	Nil

## CONCLUSION

At the end of 2014 I told SU alumni that it is going well with their alma mater. I supported this statement by referring to highlights that I have also pointed out in this report, among others, our trend-setting undergraduate student success and our research outputs. I stand by this, but am also fully aware of the challenges and risks that we need to take on. These include, in particular, diversity and other aspects of

transformation. I am, however, full of confidence that we have a good route map, which is largely the legacy of the late Prof Botman, and which will guide us forward. When Prof Wim de Villiers, the outgoing dean of Health Sciences at the University of Cape Town and Rector and Vice-Chancellor designate of SU, takes the helm on 1 April 2015, he will find it a stable vessel well on its way to its destination.

*L. van Huyssteen*

**Prof L van Huyssteen**  
Acting Rector and Vice-Chancellor



# REPORT OF THE CHIEF OPERATING OFFICER



The varied operating environment that falls under the Chief Operating Officer plays a strategically important role as enabler and backbone of many of the activities that take place on the campuses of Stellenbosch University (SU). Through its divisions of Finance, Facilities Management, PROJEKtUS and InnovUS, this multidimensional centre of responsibility contributes to an integrated support service environment. The support service offerings of these divisions are, respectively, financial planning and management; the extension and maintenance of physical infrastructure and campus security services; the management of the University's mobility, transport and sustainability initiatives; and the protection of the commercialisation of intellectual property. The entire environment is hereby focused on the creation and addition of value for the operation of SU.

**T**he Office of the Chief Operating Officer specifically supports the University's strategic priorities to magnify its impact on society and to retain its momentum of excellence. This commitment is honoured through the provision of the necessary infrastructure and resources to ensure that SU remains a respected knowledge partner and systemically sustainable institution.

This report provides a short overview of the activities of the operating environment over the past year and the progress made with its pursuit of five of its six strategic goals.

## THE SHARPENING OF BUSINESS PROCESSES AND FUNDRAISING FOR FINANCIAL SUSTAINABILITY Effective financial and corporate management

Over the past year, the Finance Division scrutinised financial and corporate management at the University anew in order to create a sustainable financial future for SU. This has led to a number of developments and improvements.

As far as financial management is concerned, leeway of about R24 million has been created in the budget for 2015 through the implementation of the indirect cost recovery rate. Indirect cost recovery, which is currently general practice in the higher education sector, enables the University to recover the indirect costs that are associated with externally financed projects from its clients. A debt-collection office also was established and this has led to a considerable increase in the issuing of summonses and the collection of outstanding student fees. The restructuring of the Letting Office as one of the business sections of Commercial Services has placed renewed emphasis on the income potential of letting as a commercialisation activity. Lastly, a tender process for bank services has resulted in an annual saving of R950 000.

Corporate management at SU has been given a boost, among others by the appointment of new internal and forensic auditors for the period 1 January 2014 to 31 December 2018. In addition, a new external ethics hotline instituted in collaboration with the professional services firm Deloitte has made it easier to report possible irregularities within the University.

## Facilities as enablers of sustainable operations

The University regards its physical infrastructure as a strategic asset that unlocks sustainable academic outputs and third-stream income, and enables the execution of the University's Institutional Intent and Strategy. The Facilities Management Division therefore needs to ensure that the University's facilities and related services are in line with the institution's anticipated strategic outcomes in order to make it the preferred place to work, learn and live for 2030 and beyond. With a view to this, the Division set about accelerating the planning and construction of new buildings, as well as the renovation and maintenance of existing ones.

Thanks to financing from the Department of Higher Education and Training (DHET) and other contributions, SU has constructed 16 new buildings over the past five years, and a further two – Information Technology and the LaunchLab – are currently under construction. Although DHET capital injections are very necessary and welcome, they hold the risk of putting the University's resources under pressure to match these contributions, and new facilities bring with them a greater maintenance obligation, which at present is not financed by the DHET. In order to counteract this risk, discussions have already been held with the DHET and it is expected that, in the next round of allocations in 2016, provision will also be made for the costs of renovation and catching up on maintenance backlogs.



As a result of the University's limited land area and capital resources, and of the extent of its maintenance backlogs, there was a definite shift in emphasis from expansion through the building of new spaces, to the renovation, renewal and refurbishment of existing spaces. This mind shift, as well as the introduction of the full-cost model, allowed Facilities Management to increase the budget for the maintenance of all SU facilities considerably. From the R33 million that was available in 2009, the R162 million budget for 2015 makes generous allowance for current as well as planned maintenance of all academic facilities, sports facilities, accommodation and campus grounds.

The historical maintenance backlogs of more than R1 billion remains a stubborn risk from which SU still suffers. The Facilities Management Division continues to present new proposals to reduce backlogs faster and hopes that the above-mentioned, more generous budget provision will prevent large-scale maintenance backlogs from accumulating again.

### A campus renewal plan for a new world of learning

The above-mentioned maintenance plans are closely linked to the Campus Renewal Plan. This plan arose from the need to create a new-generation institution through the scheduled renovation of buildings, the refurbishment of spaces and the incorporation of cutting-edge technology in order to meet the new demands of working, learning and living.

Under the leadership of Facilities Management, a multidisciplinary working group spent the past year investigating what kind of renewal is and will be necessary to remodel the campus environment so that it meets the requirements of 2030 and beyond. This working group will put together the proposals in a first version of the Campus Renewal Plan. The Campus Renewal Plan is based on good, long-term integrated planning and will be carried out over an estimated period of seven years. A set of norms and standards for teaching facilities will also be compiled.

As with maintenance, a risk in relation to the Campus Renewal Plan is the availability of sufficient financing. However, the University Council approved a budget of R2,23 billion and a financing plan for the deficit of R1,4 billion for catching up on maintenance backlogs, as well as for the strategic refurbishment and furnishing of facilities, on 1 December 2014.

### New process for capital project management

In order to improve decision making on and the management of scarce capital resources, Facilities Management will soon put a revised process for capital project applications, prioritisation and approval into operation. This will provide members of management with better information to apply capital resources optimally and to ensure that the priorities of the University's Institutional Intent and Strategy will receive attention first. A current

risk facing the management of capital projects is the large number of unfinanced projects that are planned but eventually have to be abandoned. The proposed new system should reduce the number of such cases significantly.

### Partnerships ensure operational success

Activities at SU by their nature have a significant influence on the rest of the town. This makes partnerships, particularly with the local municipality, a necessity. The University (represented by the Office of the Chief Operating Officer) and the Stellenbosch Municipality have been doing joint planning for quite some time. Together, they aim to improve municipal services, spatial development, environmental sustainability and transport.

Related developments over the past year include the compilation of a Draft Master Plan for Sport and Recreation in collaboration with the Municipality and the Stellenbosch Academy of Sport. This plan is in line with the University's new sport strategy, of which more information can be found in the Report of the Vice-Rector (Community Interaction and Personnel) on page 45.

Partnerships are also an indispensable part of SU's arsenal with regard to campus security. The first semester of 2014 was characterised by a sudden increase in violent assaults which troubled the campus community and the public. Sensational media coverage contributed to this sense of disquiet. One of the ways in which SU responded was by intensifying campus security: there was more visible security on the main axes of the campus, and students were transported to their examination venues at night. These internal interventions had good results. After thorough contemplation of the way ahead, the Office of the Chief Operating Officer has concentrated its efforts on further co-operation and synergy between all external security role players in Stellenbosch and environs. Alongside the Stellenbosch Municipality, SU is a leading partner in the recently established Stellenbosch Safety Initiative. The intention of this initiative is that it will gradually develop into an initiative for the entire town, modelled on town development districts such as that of Hatfield in Pretoria. Stellenbosch already has all the building blocks that typically form part of a development district. With the municipality and SU at the helm, and particularly the business sector of the larger Stellenbosch community providing support, the town and the University can benefit from such a development district as much, if not more, than was the case with Hatfield and the University of Pretoria.

### THE DEVELOPMENT OF A CAMPUS MOBILITY PLAN A master plan for sustainable alternative transport

The Mobility Master Plan is a subsection of the Campus Master Plan. The Mobility Plan provides a combined model of different types of parking and different types of transport (walking, cycling, lift clubs and public transport) in co-



operation with different role players and service providers (SU, the Stellenbosch Municipality and local transport operators). Throughout the emphasis is on sustainability. The different components of the plan are being phased in, with changes and improvements being made gradually.

The first components of the plan, namely the Matie Bike Project, the promotion of lift clubs and the campus commuter service, have been in operation since 2012. In terms of the Bike Project, approximately 400 unique, blue Matie bikes are currently being rented out to staff and students. To promote lift clubs, SU entered into an agreement with the online platform Findalift.co.za, that grants staff and students free access to the website to advertise and look for lifts. Participation is increasing slowly but consistently. The campus commuter service, which provides transport between the parking areas on the edge of the campus and the central campus during the day, is also used effectively, while the night-time commuter service reached a milestone when a share of the service was contracted out to a local role player.

As far as other forms of public transport are concerned, the University is not planning to become a transport operator itself, but is focusing instead on the development and promotion of better public transport services. In this regard the University is in conversation with local and provincial role players regularly.

This past year was the second year of putting the parking management system into operation after it was started in April 2013. There are a total of 71 parking areas on the Stellenbosch campus and 14 at Tygerberg. The needs of these environments are divergent, however, which makes it difficult to implement a single, uniform system on both campuses. Nevertheless, in 2014 we started overhauling the parking areas systematically, standardising notice boards and providing better access control measures such as booms. On the open Stellenbosch campus, action against unlawful and illegal parkers has taken place in co-operation with the Stellenbosch Municipality and its traffic services.

The Mobility Plan does hold a few risks. Firstly, sufficient financing will be the deciding factor in implementing and rolling out the plan. The expenditure budget for the components of the Mobility Project already in operation was increased from R6,9 million in 2014 to R7,35 million in 2015. This increase covers the management of the commuter services and the operation of the parking management system including the repayment of loans that were obtained for the construction of new parking areas at Engineering and on the Tygerberg Campus. Of this expenditure, 50% was financed from user levies in 2014, and likewise a proposed 52% will be levied in 2015. The remaining amount is paid from an allotment made by the University Council in 2013. A second challenge of the plan is that its success depends on a change in the behaviour of staff and students by choosing more sustainable transport over exclusively private transport.

Thirdly, the perception that an extension in transport services will eliminate the safety and security dangers in Stellenbosch needs to be managed carefully, since transport is but one of the links in the greater safety network.

### THE COMMERCIALISATION OF INTELLECTUAL PROPERTY AND THE CREATION OF BUSINESS OPPORTUNITIES

Innovus transfers technology from SU to industry and supports entrepreneurs and innovation. The company is also responsible for protecting and commercialising SU's innovation and intellectual property portfolio by acquiring patents, entering into licensing agreements and founding spin-out companies. Further responsibilities of Innovus include the administration of short courses and copyright compliance at SU, as well as the development of soccer in order to make it a financially sustainable sport code at the University.

#### Making the most of technology to benefit SU and society

Successful technology transfer has ensured that SU remains the South African tertiary institution that obtains the most patents from inventions. Over the past year the number of spin-out companies increased significantly, and eight licensing agreements were concluded.

#### A starting-block from which beginner businesspeople and entrepreneurs gain speed

At the level of innovation, Innovus continued, during the past year, to offer spin-out companies of the University, student enterprises as well as new external companies the opportunity to utilise the services of the LaunchLab. LaunchLab is a business incubator where beginner enterprises can find their feet and develop their ideas in a safe, value-rich environment. The initiative is a big success: demand for space in the LaunchLab has increased to such an extent that a more comprehensive R23 million facility is currently being built. The LaunchLab incubator is expected to relocate in February 2015.

In 2014, a total of 17 entrepreneurial projects received financial support via Innovus from the Technology Innovation Agency (TIA), which is in turn financed by the Department of Science and Technology. Innovus manages all aspects of the relationship between SU and TIA.

#### Professional management makes Maties Soccer sustainable

Thanks to the proven project management skills and fresh thinking of Innovus, Maties Soccer has been firmly established over the past year and is now being elevated to an even higher level. The point of departure is to find, recruit and equip young talent for participation and achievement at senior level. The initiative does not only want to strengthen the skills, expertise and reputation of the Maties A soccer team however, but also aims to invest in the development of soccer skills at grassroots level in the schools and local clubs in the surrounding communities.





SU's partnership with PEC Zwolle, a highly regarded Dutch soccer club, offered two local players and a coach an opportunity for international exposure when they were invited to attend a coaching clinic in the Netherlands in October 2014. A further outcome of the partnership was the official opening of a new mini-soccer pitch with solar lighting at Lentelus in Stellenbosch in July 2014. The construction of this facility was made possible by a sponsorship from the Royal Dutch Football Association (KNVB), PEC Zwolle and Philips.

#### THE PURSUIT OF ENVIRONMENTAL SUSTAINABILITY

In a time of decreasing natural resources and increasing environmental awareness, an important component of the work of the Office of the Chief Operating Officer is to ensure and manage the environmental sustainability of SU. This entails more efficient utilisation and conservation of water and electricity, the inclusion of more 'green' elements during construction and renovation, as well as the recycling of waste. The aim is not only to create awareness among SU users, but also to bring about a tangible change in behaviour and management systems.

#### A greater impact with a smaller footprint

Further progress was made with the efficient management of electricity, water and waste that largely determine SU's carbon footprint. Electricity consumption per student remained more than 6% lower than in 2009. The design and planning of all new buildings and the repair of existing structures included the latest 'green' technology as far as possible. The improvement in the air-conditioning system at Tygerberg, which was part of the larger renovation project on campus, led to a 20% decrease in electricity consumption in 2013 when compared to the figures for 2010.

With the conversion to a more favourable electricity tariff structure based on fluctuating rates during and outside

peak time, the Office of the Chief Operating Officer also succeeded in accruing an annual saving of more than R10 million for SU.

Facilities Management is now concentrating on the further reduction of electricity usage, water consumption and waste production, and has set itself a few challenging objectives on the way to 2018 and beyond.

#### INTEGRATED PLANNING, BUDGETING AND REPORTING New, integrated budget model ensures integrity of information



The Finance Division started implementing the new, integrated budget model in 2014. This model concentrates on mechanisms through which to apply more effective financial management and also pays attention to compliance with corporate management requirements. The model makes provision for a number of mechanisms to ensure the integrity of the University's financial information. These include the Audit and Risk Committee of Council, an annual internal audit programme, quality assurance under the watchful eye of the Audit and Risk Committee, the Finance Committee, as well as external auditing. In addition, as part of the new budget model, management and faculties reached an agreement on operational inputs and outputs. Subsidy unit values have also been guaranteed and operational targets stabilised for three years. The Office of the Chief Operating Officer also endeavours to achieve extensive compliance with King III and other reporting requirements, including the new Regulations for Annual Reporting by Higher Education Institutions.




## LAUNCHLAB: LAUNCHPAD FOR SUCCESS

LaunchLab remains the epicentre of entrepreneurship on campus	
Funding provided to LaunchLab companies	R2.5 million
Revenue generated by LaunchLab tenants thus far	R2.1 million
Current client base of LaunchLab tenants	30

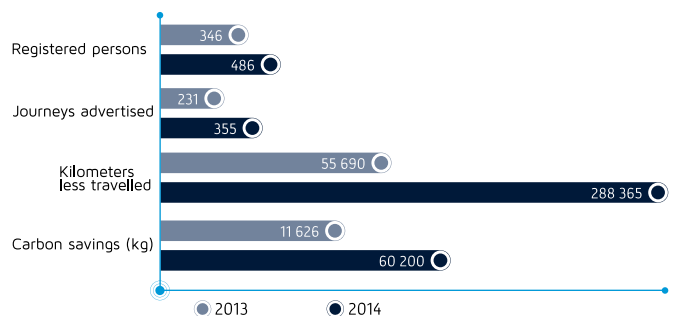
## FOOTBALL MOVING FORWARD

SU Football Development Programme is built on 3 pillar strategy		
<b>1</b> Create a HIGH PERFORMANCE football environment	<b>2</b> Foster relationships with COMMUNITY clubs and schools	<b>3</b> Develop a football culture on CAMPUS
 750 players participated in this year's Stellenbosch Primary School's Cup		
 90 local coaches have received training from the Dutch Royal Football League (KNVB)		
JULY 2014: New solar-powered mini football pitch opens at Lentelus. High performance + community players benefit from new pitch.		

## STELLENBOSCH SECURITY INITIATIVE

	New town development initiative launched by SU and Stellenbosch Municipality.  Based on successful Hatfield Town Development District which improved safety on the University of Pretoria campus drastically.
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## MOBILITY ON CAMPUS: SUCCESS OF FINDALIFT



## MAINTENANCE OF FACILITIES

Our achievements	2013	2014
Number of maintenance jobs completed	32 000	45 959
Amount spent on building maintenance	R18 m	R178 m
Amount spent on completed capital projects	R210 m	R343 m



# REPORT OF THE VICE-RECTOR (LEARNING AND TEACHING)



In close collaboration with the faculties, the Responsibility Centre for Learning and Teaching (L&T RC) makes an important contribution to ensuring that Stellenbosch University (SU) is an excellent, sought-after and inclusive institution for those who wish to study at tertiary level. Part of its responsibilities are to ensure that tuition programmes and pedagogies are aimed at the skills of the current student. SU graduates should possess qualifications that are of international quality with which they can fulfil the needs of the South African labour market and at the same time compete internationally. More specifically, the Responsibility Centre offers strategic guidance for learning and teaching by means of research, joint planning and institutional process improvement to support academics and students in their acquisition of knowledge.

**T**he L&T RC is fully committed to the strategic priorities and themes of the University's *Institutional Intent and Strategy 2013–2018* (IIS). In particular, the RC is responsible for broadening access to SU through managing registration and residence placements for the diverse potential student corps of the country. In addition, the desired attributes of an SU graduate are impressed upon residential and day students in order to make them valuable citizens in society. In this regard the University experience of day students is enriched with the aid of the co-curriculum and a cluster approach, which make a significant contribution to the formation of healthy student communities and, in this way, also to student success. Increasing provision is being made for students who do not want to study in a full-time residential mode. Teaching programmes are also subjected to continuous renewal and the teaching quality is increased, while high levels of student success are maintained.

The L&T RC had eight strategic objectives for 2014. For the purposes of this report, five of these are highlighted and an explanation is provided of what we did to achieve them, how we progressed and what the greatest risks were that had to be dealt with.

## EXCELLENCE IN LEARNING AND TEACHING

In 2014 a number of the University's professional programmes, ten academic departments and four support service environments were evaluated externally to ensure that they complied with the best national and international standards. The Engineering Council of South Africa, for example, granted a further five-year accreditation to all six BEng programmes, while the University's Business School (USB) again achieved the highest level of the sought-after EQUIS accreditation (European Quality Improvement System), which also stands for the next five years. The USB is the only business school in Africa (and one of only 75 worldwide) that has been granted

EQUIS accreditation. In addition, the University's BAcc and BAccHons programmes were assessed by a visiting panel from the SA Institute of Chartered Accountants (SAICA), and the Bachelor's degree in Social Work was subjected to a national evaluation process. These resulted in high praise and good recommendations.

It stands to reason that excellence also depends on the skills of lecturers and support staff. In the year under review, the University's academic staff again received external and internal acknowledgement, among others for the excellent promotion of learning and teaching. Acknowledgement from outside was in the form of the HELTASA 2014 National Teaching Awards, where Professor Robert Pattman of the Faculty of Arts and Social Sciences received an honourable mention, while the sought-after Chancellor's Awards were awarded internally (see "Chancellor's Awards" on page 66).

As far as the co-curricular development of students is concerned, excellence was promoted, among others, by way of leadership training of more than 3 000 students through the courses and programmes of the Frederik Van Zyl Slabbert Institute for Student Leadership Development. Besides academic excellence, significant achievements in the fields of community interaction, sport, culture, service and student leadership were also rewarded with Rector's Awards. Furthermore, three Awards for Succeeding against the Odds were awarded to students who performed excellently despite challenging circumstances.

## STUDENT SUCCESS

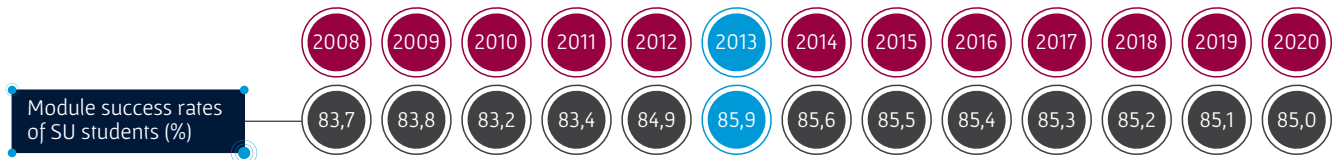
In order to assist successful study, the entire value chain should be focused on it – from the first contact with prospective students, recruitment actions and guidance on the correct programme choice, to selection, admission and the provision of financial and mentoring support, as well as suitable accommodation, proper welcoming, thorough professional





training and personal development. In this regard, the restructured divisions for Prospective Students and Student Affairs succeeded in functioning as a one-stop service for students in 2014.

Student success also requires healthy partnerships: between students and SU, but also between the faculties and support services. The University's module success rate, in other words the percentage of students who passed the modules for which they had registered, was 85,9% – once again the highest in South Africa in 2013 (this being the most recent available HEMIS data). This percentage is expected to decrease slightly as the University admits more students from less privileged communities. The long-term aim is to keep this figure above 85% through good teaching and student support systems. This parameter is thus managed at the highest level as a strategic management indicator (SMI), as illustrated in the table below:



The greatest risk that needs to be managed is the production of enough quality graduates to fulfil the needs of the world of work in the midst of an insufficient number of university-ready Grade 12s. SU manages this risk by being an attractive home for prospective students, undertaking selection with a view to student success, and offering the necessary curricular and wellness support to registered students.

At national level, the University will be participating – over the next three years – in the Quality Enhancement Project (QEP) that is being managed by the Council on Higher Education (CHE). This project replaces the institutional audits that characterised the first phase of quality assurance from 2004 to 2011. The QEP is aimed at promoting student success on the basis of four themes:

- teaching skills of academics;
- support and development services to students;
- learning environments that promote success; and
- enrolment planning and management.

During the year, the Committee for Learning and Teaching (CLT) served as the reference group for a comprehensive report that was compiled and which was submitted to the CHE in September 2014.

## SIZE AND SHAPE OF THE SU STUDENT CORPS

SU planners make provision for a realistic increase in student numbers, which can be accommodated on the existing campuses with the assistance of a spatial development programme. The shape of the student corps rests on the preferential composition thereof and the variety of teaching and research programme offerings to fulfil the expected South African needs. The Vice-Rector (Learning and Teaching), the Senior Director: Prospective Students and a director of Institutional Research and Planning meet with each dean twice a year to plan enrolments per programme and per faculty. In the year under review, SU could come relatively close to Council's target for student enrolments and in fact succeeded in exceeding the stated targets for the number of coloured, black and Indian newcomer students.

## MANAGING ENROLMENT AND DIVERSITY TARGETS

Students	2013 (June)	2014 (June)	Target set by Council 2014 (June)
Total	28 156	29 393	–
Postgraduates	9 753	9 915	–
Undergraduates	17 293	18 342	–
Newcomer first-year students	4 615	5 182	4 830
% of coloured, black and Indian (CBI) newcomer first-year students	32,4%	35,7%	30,7%

The L&T RC works very closely with the faculties to diversify the University's student profile through very specific recruitment and bursary actions and to make it more representative of the entire South African population that qualifies for university admission. The University's enrolment objective for 2019 is a total of 5 930 newcomer first-year students, of whom half will be CBI students. The percentage of CBI students (undergraduate as well as postgraduate) is managed as an SMI, and previous achievements and planned goals are as follows:





The University's long-term institutional strategy, as far as the size and shape of the student corps is concerned, is to be a medium-sized university (approximately 35 000 students) with two modes (approximately 25 000 mode 1 students and 10 000 mode 2 students) by 2030. Mode 1 students are largely full-time campus students who attend class during the normal term times. Mode 2 students represent the so-called learn and earn student market, which is taught primarily through technologically mediated instruction. These students visit the SU campuses during the recesses between terms for contact sessions with academics.

The largest risk that needs to be managed is the uncertainty about how many admitted undergraduate students will eventually turn up for study. On the basis of historical trends, each faculty requires an annual prediction of how many more students than the number of available places in each programme should be admitted. But this is not an easy task, particularly in the case of CBI students, partly because the final Grade 12 results are still outstanding and some candidates struggle to obtain the necessary money for university study. SU uses bursary loan programmes to manage the latter risk as far as is possible.

### IMPROVED MULTILINGUAL OFFERING

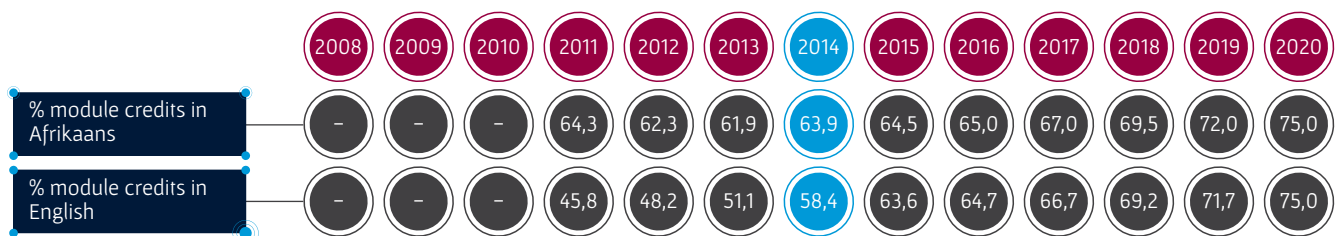
In November 2014, the SU Council approved an important new Language Policy for the institution that grants Afrikaans and English equal status as academic languages at the University. This policy will facilitate access to the University because students can now study as far as possible in their language of preference (Afrikaans or English). Language skills training in Xhosa is also being extended as far as possible. The intention of the extended multilingual offering is specifically

so that SU will get more registrations by coloured, black and Indian students.

The University's Language Policy and Plan offer a number of possibilities for the language used in the presentation of lectures, namely only Afrikaans, only English, dual medium (equal use of Afrikaans and English for the same class group), parallel medium (use of Afrikaans and English for different class groups following the same module) and interpreting (use of either Afrikaans or English for a class group and interpreting into the other language).

Parallel-medium instruction (PMI) has been put into practice successfully in different faculties since 2011 and undoubtedly has brought about greater accessibility and student success. The use of educational interpreting was also extended significantly in 2014, to approximately 180 lectures per week in the first semester (from a semester total of 2 565 lectures) and approximately 210 lectures in the second semester. For educational interpreting, whisper interpreting is done by an interpreter who attends the lecture and translates the lecturer's spoken words in real time, and this is transmitted directly to the students via earphones. As a result, lectures in all Engineering programmes, as well as those up to third-year level in the biggest programmes in the Faculty of Economic and Management Sciences, for example, are available completely in Afrikaans and in English. The aim is to have all lectures in the latter faculty available in both languages by 2016.

The SU Council decided to invest judiciously in multilingual instruction so that the number of lectures that are available in both Afrikaans and English can be increased purposefully. Previous and planned aims for this SMI are as follows:



The biggest risk as far as the multilingual offering is concerned is that those both inside and outside the University will no longer regard the investment in the promotion of multilingualism (which amounted to about 1% of the University's entire budget in 2014) as worthwhile and justified. This risk is being managed by determining the satisfaction of students and lecturers with the offering on a regular basis, determining process improvement actions and marketing multilingualism as a unique characteristic of SU students.

### INFORMATION AND COMMUNICATION TECHNOLOGY FOR LEARNING AND TEACHING

SU is aware that information and communication technology (ICT) has changed the tertiary education industry radically, from traditional, direct contact teaching to more open and more adaptable learning. Students have and expect more access to knowledge, at any time and in any place. The judicious use of ICT therefore plays an increasingly bigger role in the learning experience of the current (mainly) residential students at SU. ICT also offers SU access to new (mostly) non-residential student markets, such as 'learn and earn' students, continued professional training and other

opportunities to display the University's expertise and share it with others, in the greater public interest (even free of charge).

On the basis of a five-year strategic plan for ICT in L&T, the SU Council took the far-reaching step in May 2014 of making R281,1 million available so that the University can take its place as an ICT-empowering university that can compete with the best in the world. This amount will be supplemented by R50 million from the University's main budget over the next five years. Significant progress was already made with the project in 2014. A skilled project team was appointed and the first measureable outputs include:

- an increase in the use of ICT among students;
- the training of increasing numbers of lecturers to use ICT as part of their teaching;
- the placement of ICT teaching experts in various faculties;
- the improvement of and training in e-learning management systems;
- the appointment of contractors for upgrading the IT high-speed network between buildings and extensive WiFi access in academic buildings;
- plans to improve student and financial information systems,



- among others to serve new knowledge markets;
- the completion of a modern teaching centre on the Tygerberg Campus; and
- the finalisation of a draft design for a fully ICT-supported learning centre that will be located centrally on the main campus and for which the academic environments have already granted approval.

An SMI is currently being developed to make the promotion of e-learning at Stellenbosch easier to measure. The greatest risk that needs to be managed is that academics will have to rethink their pedagogies in the light of the requirements of an ICT-based knowledge explosion and will have to regard the acquisition of the associated technological skills as empowering rather than as an additional work load.

#### COMPOSITION OF STUDENT CORPS ACCORDING TO FIELDS AND LEVELS OF STUDY, 2014 (JUNE)

Levels per faculty	Number of students
AgriSciences	1 855
Postgraduate students	477
Occasional students	41
Undergraduate students	1 337
Arts and Social Sciences	5 223
Postgraduate students	1 487
Occasional students	384
Undergraduate students	3 352
Economic and Management Sciences	7 784
Postgraduate students	3 130
Occasional students	263
Undergraduate students	4 391
Education	1 881
Postgraduate students	789
Occasional students	5
Undergraduate students	1 087
Engineering	3 712
Postgraduate students	885
Occasional students	57
Undergraduate students	2 770
Law	812
Postgraduate students	393
Occasional students	18
Undergraduate students	401
Medicine and Health Sciences	4 091
Postgraduate students	1 567
Occasional students	261
Undergraduate students	2 263
Military Science	497
Postgraduate students	47
Occasional students	7
Undergraduate students	443
Science	3 011
Postgraduate students	818
Occasional students	88
Undergraduate students	2 105
Theology	527
Postgraduate students	322
Occasional students	12
Undergraduate students	193
Grand total	29 393
Total postgraduate students	9 915
Total occasional students	1 136
Total undergraduate students	18 342

#### QUALIFICATIONS AWARDED BY TYPE, 2014 (MARCH 2015)

Type of qualification	Number awarded	%
Undergraduate diplomas and certificates	102	2,0
General first bachelor's degrees	2 136	42,1
Professional first bachelor's degrees	1 334	26,3
Postgraduate bachelor's degrees	83	1,6
Postgraduate diplomas and certificates	1 222	24,1
Honours degrees	1 234	24,3
Master's degrees	1 293	25,5
Doctoral degrees	234	4,6
Total	7 638	100,0

#### COMPOSITION AND SIZE OF STUDENT CORPS BY GENDER, 2014

Gender	Number of students	%
Male	14 038	47,8
Female	15 355	52,2
Total	29 393	100,0

#### COMPOSITION AND SIZE OF STUDENT CORPS BY RACE, 2014

Race	Number of students	%
Coloured	5 015	17,1
Black	5 006	17,0
Indian	736	2,5
White	18 636	63,4
Total	29 393	100,0

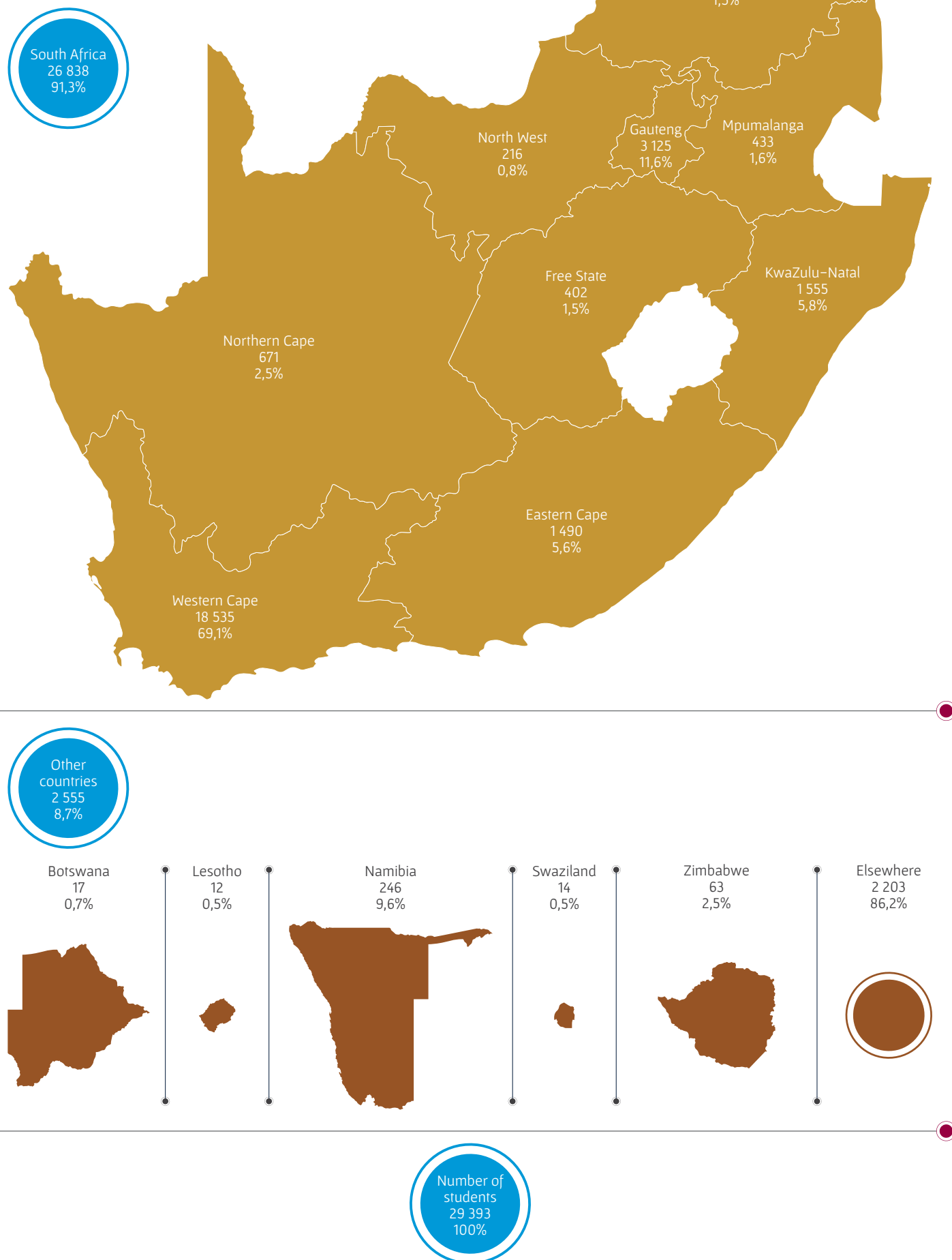
#### COMPOSITION AND SIZE OF STUDENT CORPS BY HOME LANGUAGE, 2014

Home language	Number of students	%
Afrikaans	13 208	44,9
English	11 987	40,8
Afrikaans/English	383	1,3
Xhosa	947	3,2
Other official SA languages	1 488	5,1
Other languages	1 380	4,7
Total	29 393	100,0





COMPOSITION AND SIZE OF STUDENT CORPS BY  
GEOGRAPHIC ORIGIN, 2014



# REPORT OF THE VICE-RECTOR (RESEARCH AND INNOVATION)



This Responsibility Centre unites a range of operations carried out by the following entities: the Division for Research Development, the Library and Information Services, the Postgraduate and International Office, Corporate Marketing and Information Technology. Within these varied environments, activities are aimed at achieving the University's strategic goals by supporting research output and innovation to ensure that Stellenbosch University continues to build on its present status as a leading research-intensive institution. Both the Corporate Marketing and Information Technology divisions also fulfil an institutional role that extends beyond the operational range of the Responsibility Centre for Research and Innovation to that of Learning and Teaching, Community Interaction and Personnel, and the various support service entities.

## APPOINTING YOUNG ACADEMIC STARS

Our achievements	2012	2013	2014
Postdoctoral research fellows	168	171	247
Mellon Early Research Career Programme participants	60	60	60
Research career advancement fellowship	–	–	12

Our Responsibility Centre is strongly focused on the promotion of research excellence. The number of our researchers who have achieved National Research Foundation (NRF) rating stood at 347 in 2014. The evaluation and rating of individual researchers is a peer-review system used by the NRF to measure the quality of research outputs over a period of eight years. The University has had the second highest number of rated researchers at national level for over 10 years, and has a total of 13 A-rated researchers – those who are regarded as world leaders in their respective research fields.

To sustain our performance over the long term, we have during the past two years, set out to attract young and diverse academics to our staff by consciously seeking out young talent with 'academic star quality'. This initiative to develop the University's human capital for the future has led to the preferential appointment of young staff, focusing on their promotion and advancement potential.

To support the University's research excellence and to build the profile of our academic staff, the Division of Corporate Marketing proactively facilitates the publication of a series of thought leadership editorials. These articles are based on the academics' fields of expertise and are often related to international and national days, current affairs and matters of general interest to the media and the public.

Furthermore, the Division for Research Development

contributes to the visibility of research excellence at the University by showcasing outstanding research in its annual *Research at Stellenbosch University* publication. The publication has shown itself to be a national benchmark for research reports and an effective way to draw the attention and interest not only of fellow researchers nationally and internationally, but also of funding agencies, industry partners, the media and the broader public. For the fourth consecutive year, this publication has won an award at the 2014 Marketing, Advancement and Communication in Education (MACE) Awards. The MACE Excellence Awards give recognition to universities and colleges that set the tone in the field of marketing, communications and development. In addition, Stellenbosch University's Annual Report for 2013 was awarded the first position in the category for annual reports at the MACE Excellence Awards.

As part of the University's research goals, we are building a stronger postdoctoral cohort. Stellenbosch University had 247 active postdocs in 2014 – one of the highest number of fellows in South Africa. The Postdoctoral Fellowship Programme initiated in 2013 is specifically aimed at doctoral graduates from the coloured, black and Indian population groups, and in 2014 a total of 12 postdocs benefitted from this Programme. The purpose of the Programme is to develop the next generation of academics who will be productive in their field of research, and who will at the same time be more representative of our country's demographics. To this end, the Mellon Early Research Career (MERC) Programme was also extended to 2014. The programme continued to contribute to the career development of around 60 early career staff members in 2014. More than 90 staff members have already benefitted from the Mellon programme in the past four years.

Stellenbosch University's success rate for project applications at the National Research Foundation (NRF) Thuthuka Programme was 87% in 2014. The main purpose



of the Thuthuka programme is to develop research capacity of early career academic staff members by promoting the attainment of a doctoral qualification and/or strengthening their professional profile in view of application for an NRF rating. This represents a new record success rate, and brings huge benefits to our early career researcher grant holders. We also received 12 new NRF Research Career Advancement Fellowships, enabling 12 early career researchers to enter academic positions at the University, following an initial postdoctoral period.

The second Library and Research Week was presented in 2014 to develop the skills and knowledge of emerging researchers. A programme focusing on reference and citation management, academic writing, finding relevant information, and managing research was developed. The purpose of this initiative is to strengthen the research culture at the University.

The Research Commons Social Hours initiative was also introduced by the Library and Information Service in 2014 to foster a community of researchers and to provide an opportunity where emerging researchers can find inspiration, exchange ideas and support each other. By developing a new generation of academics and increasing the number of postgraduate students from all race groups of South Africa, we are striving to realise the University's transformation and diversity goals.

## PROMOTING RESEARCH OUTPUTS

Our achievements	2012	2013	2014
Weighted research output per full-time staff member	2,37	3,08 (first in SA)	2,97 (first in SA)
Publication output per capita (2013 data reported in 2014)	1,22	1,36 (first in SA)	1,47 (first in SA)
Research publication incentives awarded to researchers	–	50	50
QS World University Rankings	401–450	387	390
Times Higher Education World University Rankings	251–275	301–350	276–300
Consolidocs	–	9	6

Striving to position ourselves as the foremost research leader in Africa, Stellenbosch University is building strategic partnerships with communities, industry and government to ensure that our research outputs are socially relevant and improve the quality of life of people. Via our research publications and doctoral graduates we extend the University's international reputation as a research university. New knowledge generated here is transferred to a global audience, thus enhancing the application of research results and promoting high-level human capacity.

The 2014 report of the Department of Higher Education and Training (based on 2013 research outputs) confirms the status of the University as the academic institution displaying the greatest research output productivity on national level, with weighted research outputs per full-time academic staff member (publications and postgraduate students) of 2,97 and with a figure of 1,47 per capita publication output. In both categories, Stellenbosch University is the leading institution at national level. In terms of academic output, there has been an increase of

112% in the number of PhD graduates since 2002; 11% of the total accredited research output in South Africa is produced by Stellenbosch University; and we have shown an average annual growth of 8,9% in research outputs since 2008.

The office of the Vice-Rector (Research and Innovation) carries the responsibility of strengthening and extending the knowledge base at the University and, in 2014, recognition was again given to researchers who made the greatest contribution to accredited publications (based on audited publication statistics of the previous year) and doctoral graduates. For the purpose of recognising accredited publications, two categories were taken into account, namely researchers making the biggest contribution in terms of the publication units of the Department of Higher Education and Training (cut off at 3,96) and researchers who produced the highest number of accredited research publications in collaboration with their national and international research partners and students (cut off at 10). In the 2014 round, contributions of researchers who delivered two or more PhD students in 2013 were also acknowledged. A total of 92 researchers performed in one or more of the three categories.

Our aim is to extend and support not only local research, but world-class research, and to ensure that the University maintains and improves its present position among the top 500 universities in the world. In 2014, the University appeared in position 390 on the QS World University Rankings, as well as a position which lay between 276 and 300 on the Times Higher Education World University Rankings. This is the fourth year that the University appears on these two top international rankings.

To contribute further to research output and also to kick-start the academic careers of recently graduated PhDs, the Responsibility Centre launched an incentive programme in 2014 called Consolidoc, aimed at helping newly graduated PhD students to consolidate the work they had done as part of their doctoral studies. The expectation attached to the award was that each recipient would publish at least two journal manuscripts in peer-reviewed journals by the end of the award period. By 2014, eight awards had been made and six of the recipients had met the required outcome.

A range of new services to support and expand research performance management of researchers, and to measure their research impact, was introduced by the Library and Information Services. These include the development of a customised workshop on research performance tools.

## EXTENDING RESEARCH INNOVATION

Our aim to extend research innovation is crucial because research leads to the creation of new products and services, which can bring about economic and social improvement to South Africa. We see innovation as the core of our University's research success. This ultimately positions the University as a place of opportunity which will attract the best researchers and students from all corners of Africa, and the world in general. Already Stellenbosch University is one of the top earners in the Technology and Human Resources for Industry Programme (THRIP) of the Department of Trade and Industry, confirming our status as a preferred research partner for





industries. In 2014, there were 11 new technologies emanating from the University's research that led to PCT (patent cooperation treaties) applications – a figure that places our institution in a leading position countrywide.

## ESTABLISHING RESEARCH FOCUS AREAS

Our achievements	2012	2013	2014
NRF A-rated researchers	11	13	13
SARChI research chairs	18	18 (out of a national total of 23)	19 (out of a national total of 26)
Centres of excellence	6	6	7

In 2014, the University established a number of new research chairs, as well as a research centre of excellence which focuses on addressing research questions that transcend traditional disciplinary boundaries. Such initiatives are largely made possible by academic and industry stakeholder networking, which is one of the enabling strengths of Stellenbosch University in the face of dwindling government support for tertiary education institutions.

A new research chair was established at the University through the South African Research Chair Initiative (SARChI), funded by the Department of Science and Technology (DST) through the National Research Foundation (NRF). As Africa's first research chair in the field of science communication, it will create the opportunity for the University to develop this academic field across the continent and to provide new training and research niches for African students and scholars. The research portfolio of the Chair, hosted by CREST (Centre for Research on Evaluation, Science and Technology), will focus on the strategic value of science communication in contributing to a robust and resilient knowledge society where science plays a key role to improve people's lives and livelihoods. Of the 26 SARChI research chairs established nationally, the University now hosts 19.

Two additional research chairs were also established in 2014. The Agricol Chair in Agronomy, housed in the Department of Agronomy, will help expand research and development in the seed industry and increase product knowledge and opportunities for further training to plant breeders and agriculturists in South Africa and on the continent. The HORTGRO Chair in Applied Pre-harvest Fruit Research, based in the Department of Horticultural Sciences, will focus on research to meet the short- and long-term needs of fruit producers, with the purpose of improving international market access, fruit quality and sustainable farming practices.

A new centre of excellence was also established in 2014. The Centre of Excellence on Scientometrics and Science, Technology and Innovation Policy, funded by the Department of Science and Technology (DST) through the National Research Foundation (NRF) is a virtual centre hosted by CREST. This Centre aims to measure performance and to monitor the effective implementation of science, technology and innovation policies by developing indicators for knowledge production, innovation, development and networking.

The year under review saw the first preferential partnership agreement concluded between Stellenbosch University

and the *Katholieke Universiteit Leuven*, Belgium. This is an executive partnership agreement, with a number of subsidiary agreements which all have the promotion and support of academic and institutional collaboration as an aim, to the mutual benefit of the partners. This approach is in line with a greater institutional focus where a key partnership portfolio is established to concentrate on Stellenbosch University's collaborative work with similar universities abroad.

The Responsibility Centre manages memoranda of understanding (MoUs) with a number of South African research councils. These MoUs provide a framework for the establishment of strategic cooperative project-specific agreements, and for collaboration in selected areas of research and development initiatives. The Council for Scientific and Industrial Research (CSIR) and the University renewed their MoU in October 2014. The MoU seeks to strengthen collaboration in specific priority areas that are aligned to national priorities and are at the core of the strategies of the two organisations. The University currently has more than 70 collaborative projects with national science councils.

The African Doctoral Academy (ADA) was institutionalised as a university-wide capacity development entity within the Postgraduate and International Office. The Carnegie Corporation of New York has approved a grant of R10 million to establish the ADA as a leading capacity development entity on the continent.

## GENERATING RESEARCH INCOME THROUGH RESEARCH PARTNERSHIPS

Our achievements	2013	2014
Research contracts	R477,1 m	R585,0 m
National Research Foundation/THRIP grants	R160,3 m	R198,3 m
National Research Foundation/THRIP bursaries	R11,9 m	R34,5 m
Philanthropic donations	R54,1 m	R61,4 m
Total	R703,4 m (2012: R531,5 m)	R878,9 m

Number of successful multi-year projects in the respective European Union Framework Programmes

2013

28  
(FP7: 2008–2013)

2014

4  
(Horizon 2020: 2014–2020)

Financial sustainability is crucial if Stellenbosch University is to continue to position itself as the leading research institution in Africa. Research income is better applied by creating new multidisciplinary research entities, such as institutes, while strategic research partnerships help the University to be financially sustainable. It is the Responsibility Centre's conviction that the University will remain financially sustainable largely through third-stream income via contract research, and fourth-stream income via philanthropic donations.

Altogether 775 research contracts were processed during 2014 and were supplemented by additional income from THRIP. The actual income from research contracts was R585 million.



The total research grant income from the National Research Foundation (NRF), including bursaries, was R233 million. In 2014, our researchers were partners in bilateral research projects with counterparts in South America, Asia, Europe, Scandinavia, the UK and Africa. The awards amounted to just over R17 million. Up to 2014, Stellenbosch University has also been successful in 32 European Union Framework projects, of which seven were awarded during 2014. Other successful European Union-related programmes (EuropeAid projects and Cost Actions) amount to a total of 21 projects, of which six were awarded to Stellenbosch University during 2014. This represents research collaboration with around 210 international partners from 60 different countries.

The Responsibility Centre also signed two contracts worth more than €4,8 million (R64 million at current rates) with the European Union during the past four years to support postgraduate student exchange and research in Africa via the Intra-ACP Academic Mobility Scheme.

We also partnered in four further Intra-ACP schemes, four Edulink II schemes, numerous Erasmus Mundus Action 2 schemes and the Erasmus Mundus Action 3 FRINDOC scheme. These partnerships and networks have a multiplier effect in terms of the benefits that accrue – be they in the form of scholarships, staff research opportunities or postgraduate student enrolments.

#### MAINTAINING POSTGRADUATE STUDENT SUCCESS RATE

Our achievements	2013	2014
Coloured, black and Indian postgraduate students	46,0%	46,0%
Non-SA postgraduate students	18,3%	17,8%
Doctorates awarded	225	234
Master's degrees awarded	1 301	1 293

To support the University's momentum of excellence in a meaningful way, the Responsibility Centre pays particular

attention to postgraduate student education, with the view to increasing the number of postgraduate students from all race groups in South Africa and ensuring the success of all postgraduate students through adequate levels of support. In this regard, our status during 2014 may be summed up as follows:

- The demographics of our postgraduate student body remained largely similar to that of 2013, with 46% coloured, black and Indian students.
- Of the postgraduate cohort, 17,8% (1 802) were non-SA citizens, of which 82,9% (1 494) were from other African countries.
- In total, 234 doctorates and 1 293 master's degrees were awarded.
- The postgraduate skills development programme hosted 42 workshops attended by 1 192 students. Of these, 63% were master's students, 30% doctoral candidates and 7% honours students.
- The New Voices in Science programme prepares PhD graduates to communicate their science to the general public. The culminating event, the third New Voices in Science finals, was followed by the third edition of the *New Voices in Science* publication with 18 popular science stories written by PhD candidates.

The Responsibility Centre for Research and Innovation directly supports the strategic priorities of the University through our efforts to sustain the University's research excellence, to broaden access to the University, and to enhance societal impact. Central to these endeavours is the University's need to be socially relevant and to unlock new knowledge for the express purpose of bettering society.

# REPORT OF THE ACTING VICE-RECTOR (COMMUNITY INTERACTION AND PERSONNEL)



The responsibility centre of Community Interaction and Personnel pulls together diverse environments around two main focal areas for interaction: Human Resources, Campus Health Services, Legal Services and the Institutional HIV Office support and improve internal, institutional interaction, while the activities of Community Interaction, Maties Sport, the University Museum, the Woordfees and the SU Choir enhance the University's external impact, promoting the development of society and its entire people.

The clustering of diverse divisions under the Vice-Rector for Community Interaction and Personnel contributes to Stellenbosch University's overarching objective of becoming 'significantly different' and 'significantly better'. This is achieved through high-quality service delivery and innovation; promoting diversity and employment equity; implementing campus-wide wellness actions; building sound external partnerships and broadening the knowledge base; improving accessibility; promoting excellence in sport, including Paralympic sport; and creating a diversified staff corps. The constituent environments support the objectives of ensuring societal impact and relevance for the institution, and all make a vital contribution to the sustainability of Stellenbosch University as a world-class institution and respected knowledge partner.

The following section provides a brief summary of significant developments in three key constituent environments of the responsibility centre, namely Community Interaction, Maties Sport and Human Resources, followed by an overview of progress made in achieving the responsibility centre's more specific strategic objectives.

## SIGNIFICANT DEVELOPMENTS IN COMMUNITY INTERACTION, MATIES SPORT AND HUMAN RESOURCES

### Community Interaction

The University's engagement with external social partners has grown considerably since the establishment of the Division for Community Interaction in 2006. Having implemented the Community Interaction Plan and institutionalised interaction with civil society and government according to international indicators of engagement, the Division has managed to establish community interaction as both a scholarly and capital-building exercise at the University.

The year 2014 was a milestone for the Division, having undergone its first external evaluation since its establishment. The external panel, consisting of one international and two national experts, commended the Division's progress and achievements, stating that the "work of the [Division] had permeated [...] certain areas of the University as well as beyond the University" and acknowledging the "broad range of projects and programmes that cut across the core functions of the University". The panel also commended the "growing emphasis placed on community-based research both by the [Division] and the University". The panel's recommendations included:

- adopting common community interaction terminology across the institution;

- harnessing the stakeholder voice;
- installing faculty-based engagement committees;
- reviewing the Division's positioning and composition;
- involving all staff and students in engagement-related work; and
- using engagement criteria in all external evaluations conducted at the University.

The evaluation and recommendations now provide the basis from which to proceed with community interaction at Stellenbosch University. In its response, the Division will seek to redefine 'community interaction' as 'institutional engagement' (see Glossary page 118), which is a much broader and more inclusive concept. Institutional engagement refers to partnerships within the University (between academics, students and support service staff) as well as outside the University (driving collaborative projects with external partners), and it is hoped that the social and relationship capital built in this way will produce mutually beneficial results across the spectrum. The concept is perfectly aligned with the University's institutional objectives, and encapsulates engaged scholarship in a dynamic society, societal relevance, the application of higher learning to address key societal challenges, functioning as a social partner in the broader community, and enhancing staff and students' skills and responsible citizenship. This change in focus will need to be communicated appropriately within and outside the University and incorporated into policy during the next reporting period.





### Maties Sport

Maties Sport contributes to the realisation of the institutional priorities of inclusivity, innovation and a focus on the future by promoting the holistic development of student athletes through individual academic support programmes coupled with opportunities to engage with the broader community through participation in sport development projects. It also encourages mutually beneficial interaction between sport and the academic community at the University in all the institution's core activities.

In a forward-looking bid to build on the tradition of sport success at Stellenbosch and to continue to develop sport as a strategic asset for the University, the 2004 Sport Plan was reviewed and has now been replaced with the Roadmap to the Future 2015–2019, a business plan with a financial strategy. In 2014, the Rector's Management Team adopted this plan and appropriated R6 million for its execution. This will see eight strategic objectives for sport being pursued through Maties Sport's five enabling units: the High Performance Sport Unit, the Centre for Human Performance Sciences, the Recreation and Active Lifestyles Unit, the Events and Communication Unit, and the Health and Fitness Centre at Coetzenburg. The sustainability of the new sport plan is ensured through cross-subsidisation as well as a new human resources strategy aimed at recruiting and retaining top experts in sport management, science and coaching.

Also, Maties Sport introduced a first in university sport in South Africa in 2014 by creating the post of Chief Director: Sport. Ms Ilhaam Groenewald is the first incumbent, supported by a newly instituted advisory board of alumni and high-profile business and sports people.

### Human Resources

The death of Prof Russel Botman, Rector and Vice-Chancellor of Stellenbosch University, in mid-2014 sent shock waves through the local and international community. Upon receiving this unsettling news it was of utmost importance to ensure the ongoing stability of the University, and Prof Leopoldt van Huyssteen, Chief Operating Officer, was appointed as acting Rector and Vice-Chancellor. A recruitment drive launched shortly thereafter resulted in the appointment of Prof Wim de Villiers as the new Rector, who will take office on 1 April 2015.

During 2014, the University also had to grapple with the replacement of some senior-level staff following the retirement of the Chief Director: Facilities Management and the Senior Director: Information Technology, and the resignation of the Senior Director: Marketing and Communication. In general, given the prerequisite of sustainable affordability, the 2014 staffing levels could be considered adequate. As is the case with similar institutions, Stellenbosch University also continued to experience significant challenges in attracting academics in fields such as engineering, necessitating costly and intensive strategic

recruitment actions. Also during the year under review, Vice-Rector (Community Interaction and Personnel) Prof Julian Smith went on sabbatical and Prof Mohammad Karaan acted on his behalf.

### DELIVERING ON OUR STRATEGIC OBJECTIVES AND MANAGING RISKS

#### Establishing rural platforms

##### Going rural to grow SU's reach and relevance

Stellenbosch University established a campus in the rural town of Worcester, approximately 50 km from the main Stellenbosch campus, in 2012. It serves as a prototype rural platform where the Faculty of Medicine and Health Sciences established a Rural Clinical School with its hub in Worcester and its spokes in various towns in the Cape Winelands and Overberg area. This campus now provides the opportunity for other faculties to collaborate across disciplines, as the Education, Law, Theology and Engineering faculties have indeed started doing.

In 2014, a memorandum of understanding (MoU) was signed between the University and Saldanha Bay Municipality on the Cape West Coast in whose jurisdiction the SU Military Academy is located. This MoU provides a basis for future collaboration with the municipality and other social partners in the area, as well as with other Stellenbosch University faculties.

Risks peculiar to rural platforms are inherent in the relationships between Stellenbosch University staff and students on the one side, and partner organisations and communities on the other. In Worcester we mitigated these risks by establishing a permanent, physical presence and by creating inclusive communication and coordination structures.

#### Fostering engaged scholarship

##### Breaking out of the ivory tower – taking a scientific and societal approach

In the year under review, a structure for interaction between researchers and community organisations was created in the University's Community Interaction knowledge network. Community organisations' research needs are posted electronically and University researchers are invited to respond, with the Community Interaction Division providing incentives wherever possible.

In the reporting year, Community Interaction also facilitated several Stellenbosch academics' participation in and presentation at national and international conferences, including the International Symposium on Service Learning and the Talloires Global Leaders' Conference. The local organising committee for the 2014 Talloires Global Leaders' Conference (themed "Live Engagement, Transform Lives") comprised members of the Cape Higher Education Consortium, with a Stellenbosch University representative as chair. The conference brought together delegates from



134 member institutions in over 40 countries, mainly presidents, rectors and vice-chancellors. The issues raised in the conference's call to action are expected to shape the international agenda for community-university engagement significantly going forward. In the final conference session, Stellenbosch University was commended for its pivotal part in the success of this international event and for its leadership in engaged scholarship.

As its contribution to increased engagement, the Institutional HIV Office presented ten short courses, making advanced HIV-training accessible to the University's own students and staff as well as the corporate sector and non-governmental organisations (NGOs). The increasing popularity of semester and summer-school courses for international students provided the third income stream needed to fund HIV-related training and institutional programmes.

### **Broadening access to and creating development opportunities** **Flinging wide the doors of higher education**

In 2014, Community Interaction hosted two Stellenbosch University Schools Partnership Forums in conjunction with the Centre for Prospective Students (CPS) and the Stellenbosch University Centre of Pedagogy (SUNCEP). These events provided important institutional coordination and strategic direction to the University's academic and support staff involved in school projects and programmes. The Division further broadened access to University resources and facilities for community partners in the joint celebration of national days, such as Heritage Day, as well as other special occasions. In addition, 2014 saw Community Interaction again hosting two science-and-society events. These are aimed at popularising science – one featured high-school learners and University academic stars, while the other involved a local network against drug abuse and Stellenbosch researchers in that field.

Stellenbosch University *Woordfees* is an Afrikaans-language celebration of diversity through the written and spoken word. Since the inception of its empowerment initiative aimed at school learners, *Woorde Open Wêreld* ("Words Open Worlds" or WOW), in 2003, this initiative has touched the lives of more than 180 000 people. This project to advance community development continued in 2014. Learners are sensitised to the opportunities around them through creative programmes that promote language, this being the basis for success in all school subjects. WOW's generous Stellenbosch University study bursaries constitute yet another contribution to greater access. A new chair was appointed for the advisory committee, and the festival has a new director, Saartjie Botha, who succeeds founding director Prof Dorothea van Zyl. To ensure financial sustainability of the *Woordfees* within three years, new income streams will be activated and appealing packages for existing and new sponsors will be created.

With generous funding from the National Arts Council, the University Museum launched a programme that will see thousands of disadvantaged learners visiting the Museum, thereby creating broader access to visual arts. The demand for using the Museum as an events venue has also shown a steady increase. In the year under review, the facility was host to 40 events and 17 497 visitors. Some of the events included the Sasol New Signatures exhibition, which showcased winners of this national competition, and two exhibitions on Nelson Mandela in cooperation with the Nelson Mandela Centre of Memory. The Museum also hosted three photographic exhibitions as part of National Photography Month.

The Stellenbosch University Choir participated in the World Choir Games in Riga, Latvia, and emerged world champions in all three categories they competed in. They scored the highest marks ever at the World Choir Games in the spiritual music category and then went even further by improving on their score in the mixed choir category. The SU Choir serves as a platform for choir members to discover their own potential and talents, providing international exposure to many students who would not otherwise have had the opportunity.

### **Capacity building for experimental learning and support to develop graduate attributes**

#### **'Learning through doing' to become well-rounded citizens and well-equipped leaders**

In order to build academic staff's capacity to develop the University's signature graduate attributes and promote collaborative research through their teaching, Community Interaction in 2014 again offered a credit-bearing programme in service learning and community engagement. In addition, staff of the Division taught in formal professional programmes such as the postgraduate diploma in Higher Education and the master's degree in Higher Education, as well as providing individual personal or electronic support to academic staff who sought to improve their skills in engaged teaching.

As far as student capacity-building is concerned, the credit-bearing short course Leadership through Community Interaction which is aimed at student-leader volunteers was again presented in the year under review by Matie Community Service in conjunction with the Frederik Van Zyl Slabbert Institute for Student Leadership. Being a structured out-of-class learning experience and part of the co-curriculum, student volunteering contributes to the development of the desired Stellenbosch graduate attributes and will continue to be promoted in the years to come.

### **Managing knowledge and other partnerships**

#### **Partnering with society to take SU from successful to significant**

Through the responsibility centre of Community Interaction and Personnel, the University continued to maintain MoUs

with the municipalities of Stellenbosch, Drakenstein, Hessequa and Saldanha Bay in the past year. Most of these are aimed at promoting sustainable development, thereby alleviating poverty and improving people's living conditions, such as the Drakenstein Sustainability and Learning Initiative (DSLII) partnership and the Hessequa Sustainable Water Management (SUWAMA) collaboration. The University is also a party to MoUs with the City of Cape Town and the Western Cape Provincial Government through its membership of the Cape Higher Education Consortium (CHEC). As all of these MoUs are broad in scope, the specific joint projects they regulate tend to change from time to time. The partnerships with Stellenbosch Municipality, the City of Cape Town and the Western Cape Provincial Government are directed by specific plans of action, representing a model for each of the other MoUs. The MoUs are maintained through regular contact and high-level meetings.

Community Interaction staff actively seek to broker potential new knowledge partnerships within and outside the University and to identify research, funding and internship opportunities for University academics and students.

Boasting its new corporate branding, the University Museum also established strategic partnerships with numerous organisations during the year under review. The new Museum Director, Mr Bongani Mgijima, who assumed duties in February 2014 following predecessor Dr Lydia de Waa's retirement at the end of 2013, was invited by the Nelson Mandela Foundation to participate in international dialogues held in Cambodia and Germany, and took part in a Bosch Foundation-sponsored study tour on commemorative cultures in Germany. The Museum also forged partnerships with the German and United States consulates in Cape Town and established contact with the Michigan State University Museum, together with whom a joint funding proposal was submitted to the United States government for the implementation of cooperative projects. Strategic engagement with the Nelson Mandela Foundation and the Nelson Mandela Museum was further strengthened, while the Museum also participated in the Heritage Project led by Stellenbosch Municipality and the University, presenting a number of well-

attended exhibitions. Furthermore, Mr Mgijima oversaw the drafting of a comprehensive Museum business plan which is set to facilitate even more partnerships going forward. The plan is aligned with the University's Institutional Intent and Strategy, was approved by University management and has now entered the roll-out phase.

Risks specific to partnerships include maintaining effective coordination, monitoring and evaluation, and ensuring mutual benefit. These risks are mitigated by scheduling regular meetings for a specific year in the preceding year, identifying focus areas for partnerships, drafting specific plans of action and monitoring progress against these, like we did in our partnerships with the City of Cape Town and the Western Cape Province.

### **Adding to SU's value proposition through an enhanced staff corps** **Legal Services staff commended for internal empowerment function**

The quality assessment conducted in 2014, including an external evaluation, was a first for Legal Services and confirmed the Division's success in dealing with contracts and other legal work of an ever-increasing volume and complexity, within their capacity constraints. An exceptional milestone in 2014 was the publication of the online user guide to the Consumer Protection Act. The guide, which is specifically aimed at the SU environment, increases awareness of legislative prescripts that apply to the University, its activities and clients, and thereby empowers University staff to always remain within the bounds of the law in carrying out their duties. More initiatives of this nature are however needed to ensure institution-wide legislative compliance, which was also reflected in the assessment report recommendation that the establishment of a compliance function be considered.

### **Improving staff diversity**

With improved staff diversity being an integral element of the University's Institutional Intent and Strategy, the institution has set itself a range of equity targets. In general, satisfactory progress was made with equity actions in the year under review, as the following tables show.

**TABLE 6: EQUITY EMPLOYMENT PROFILE OF ACADEMIC STAFF AT STELLENBOSCH UNIVERSITY, 2014**

Faculty				Foreign National					Percentages (%)			
	Black	White	Total	Africa	Other	Total	Grand Total	Disabled	Black	White	Foreign National	Disabled
AgriSciences	15	76	91	5	11	16	107	1	14%	71%	15%	1%
Arts and Social Sciences	55	225	280	8	19	27	307		18%	73%	9%	0%
Economic and Management Sciences	26	220	246	7	6	13	259	1	10%	85%	5%	0%
Education	24	26	50				50	1	48%	52%	0%	2%
Engineering	6	114	120	7	8	15	135	1	4%	84%	11%	1%
Law	8	40	48	1	2	3	51		16%	78%	6%	0%
Medicine and Health Sciences	65	175	240	12	10	22	262	1	25%	67%	8%	0%
Military Science	1		1				1		100%	0%	0%	0%
Science	29	128	157	14	35	49	206		14%	62%	24%	0%
Theology	8	18	26				26		31%	69%	0%	0%
Total	237	1 022	1 259	54	91	145	1 404		17%	73%	10%	0%





**TABLE 7: EQUITY EMPLOYMENT PROFILE OF EXECUTIVE AND NON-ACADEMIC STAFF AT STELLENBOSCH UNIVERSITY, 2014**

Faculty / Division				Foreign Nationals					Percentages (%)			
	Black	White	Total	Africa	Other	Total	Grand Total	Disable	Black	White	Foreign Nationals	Disable
AgriSciences	88	66	154		1	1	155	1	57%	43%	1%	1%
Arts and Social Sciences	59	150	209	4	2	6	215		27%	70%	3%	0%
Centre for Inclusivity	1		1				1		100%	0%	0%	0%
Chief Operating Officer	238	143	381				381	1	62%	38%	0%	0%
Division of the Rector	4	2	6				6		67%	33%	0%	0%
Economic and Management Sciences	67	66	133				133		50%	50%	0%	0%
Education	35	29	64	3		3	67		52%	43%	4%	0%
Engineering	88	99	187	17	2	19	206		43%	48%	9%	0%
Law	17	34	51				51		33%	67%	0%	0%
Medicine and Health Sciences	387	247	634	9	12	21	655	2	59%	38%	3%	0%
Military Science	1	2	3				3		33%	67%	0%	0%
Science	87	103	190	4	6	10	200		44%	52%	5%	0%
Theology	9	9	18				18		50%	50%	0%	0%
Vice-Rector (Community Interaction and Personnel)	128	111	239	3	1	4	243	3	53%	46%	2%	1%
Vice-Rector (Learning and Teaching)	125	151	276				276	2	45%	55%	0%	1%
Vice-Rector (Research and Innovation)	144	173	317	4		4	321	2	45%	54%	1%	1%
Grand Total	1 478	1 385	2 863	44	24	68	2 931	11	50%	47%	2%	0%

However, a specific risk in this regard remains the relatively slow rate at which equitable representation is being achieved at executive management and senior academic levels. This has been – and will continue to be – dealt with in terms of policy instruments such as the University's Code for Management Practices and the Integrated and Extensive Human Resources Plans, as well as through strategic recruitment initiatives as far as all senior academic and administrative vacancies are concerned. A special project focusing on the career prospects of women employees at Stellenbosch has also been launched.

and HEAIDS (Higher Education HIV/Aids Programme) First-Things-First testing campaign, beating its own 2013 figure and making significant strides towards reaching the national targets. Finally, during 2014, the HIV Office commenced with a walk-in testing service from its offices for both students and staff, bringing the total number tested for HIV to 2 758, while condom distribution was expanded to include both male and female condoms as well as personal lubricants at an increased number of distribution points.

### Staff and student health

In the course of 2014, clinical staff of Campus Health Services treated 29 874 patients, including both staff and students. Also in the field of health, the Institutional HIV Office offers a central point of contact for comprehensive HIV-related prevention and collaboration. The cross-cutting leadership course for staff, for example, addresses not only the human immunodeficiency virus (HIV), disability and gender issues, but also focuses on transformation, diversity and sexual diversity. In 2014, this course was presented by the institutional units for Disability; HIV and Inclusivity and reached 38 staff members. A similar short course in social justice for students reached 63 students. The social media platforms Facebook and Twitter are also used to encourage interactive conversation in this regard, in which 991 staff and students enthusiastically participated over the past year. In addition, the University again tested a record number of students for HIV through the implementation of the annual Department of Health



# REPORT ON RISK EXPOSURE, EVALUATION AND MANAGEMENT

Over the past five years, risk management at Stellenbosch University has been developed into a core component of corporate oversight. An anchored risk management programme was accepted in 2009, which means that risks are identified in all divisions and, as far as is possible, are managed where they arise. This programme, which has been refined further over the years, was subjected to an internal audit in 2013. Proposals arising from this audit were included in the University's risk management programme in 2014 and a follow-up audit is envisaged. A Risk Management Policy and Framework for the University currently is being finalised and our risk assessment is being refined.

Institutional management processes are underpinned by risk management in that risks are captured on a continuous basis on the University's electronic risk register for management review. Risks that require institutional management oversight are referred to the Risk Management Committee, and then to the Rector's Management Team. The risk register serves as a supplement to the Rector's risk management report, which is submitted to the Audit and Risk Committee of the University Council (see pages 10 and 80).

Appropriate policies to protect the University against exposure are developed and revised on a continuous basis. Before a policy that has been recommended by the Audit and Risk Committee is accepted by Council, the Institutional Forum is granted an opportunity to comment on it. In the year under review, the University's Language Policy was reviewed, and the Policy on Mandatory Self-archiving of Research Output and the Policy in Respect of the Presentation of Short Courses received attention.

## EXPOSURE TO EXTERNAL RISKS

In the year under review, the Risk Management Committee also started considering external risks that could affect the University's core functions. Briefly, the risks for education and training, as pointed out by the World Economic Forum, are the following:

- Increasing numbers of graduates leave universities with exceptionally high levels of debt.
- It is becoming increasingly common for young graduates

to accept work for which they are overqualified.

- Students who regard a tertiary qualification as a high-risk investment will only study if their family has the financial means to support it. The achievement of qualifications to counter inequality consequently is impaired by cost pressure.
- Graduates who do not get work to pay off their study debt cannot save for their future.
- The rapid development of technology makes tertiary training via the internet and other technological resources more sought after. This places training outside the context of residential universities.
- There increasingly is an expectation that universities should make a contribution to shrinking the gap between school and employment by adapting programmes and the relevance of programme contents.

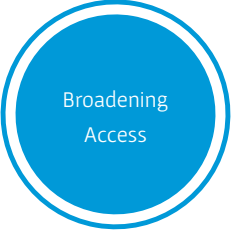



## THE MANAGEMENT OF INTERNAL STRATEGIC RISKS

The institutional risks with the highest levels of exposure are reviewed every six months. Operational risks are linked, as far as is meaningful, to the University's strategic priorities (see page 10) and are assigned to a centre of responsibility. To reduce exposure to these risks, they are managed strategically over the medium to long term to an acceptable level of tolerance. Stellenbosch University's high-order risk and the measures that we have taken to manage them are summarised in the table on the right. For more on financial risks, please see our Financial Report.

**Prof L van Huyssteen**  
Chair of the Risk Management Committee



## RISK MANAGEMENT ACCORDING TO OUR STRATEGIC PRIORITIES

Strategic Priority	Risk	Our Reaction	Centre of Responsibility
 Broadening Access	Too little space on campus to expand facilities*	Densification of existing spaces by way of smaller or open-plan offices	Chief Operating Officer
	Lecture hall capacity* is insufficient for increasing numbers of students	Design of a new centre for learning and teaching Fundraising for the construction of the facility	Chief Operating Officer Learning and Teaching
	Slow pace of institutional transformation	Converting the Centre for Inclusivity into a university-wide project	Community Interaction and Personnel
		Management of enrolment and diversity targets Extension of bursary loan programmes Promotion of multiculturalism through structured training opportunities in different student communities (clusters, residences, LLL houses and PSO wards)	Learning and Teaching Report on Transformation
 Momentum of excellence	Sustainable maintenance of physical facilities and catching up with backlogs*	Increasing the main budget for maintenance Appointment of a subcommittee from the Audit and Risk Committee to investigate funding for backlogs	Chief Executive Officer
	Heavy burden on support services	Systemic and integrated solutions according to the business plans of the relevant divisions, based on the Institutional Intent and Strategy, are being investigated in collaboration with Human Resources Interim defrayal of essential capacity from strategic fund	Community Interaction and Personnel
	Inadequate IT expertise	Organisational structural investigation of staff levels, role divisions and functions Appointment of new Senior Director with experience in Quali systems as head of environment Promotion of specialisation through organisational changes at level of director Extension of capacity for development of own systems	Research and Innovation
	Increasing exposure to violent crime in particular	Improvement in security measures to the value of R2,2 m per year Implementation of comprehensive preventative and reactive security strategy with visible patrols, cooperation with external partners and raising awareness on campus	Chief Operating Officer
 Impact on society	Sustainability risk for corporate entities and other centres*	Voting R1,9 m from strategic fund for <i>Woordfees</i> Appointment of new Woordfees management and expansion of advisory committee Expansion of Safety Studies at the Faculty of Military Science Raising of external funds for the sustainable operation of the Legal Aid Clinic as a community initiative	Community Interaction and Personnel
	Inadequate investment in sport	Appointment of new Chief Director to develop Maties Sport as a strategic asset Acceptance of a new sport plan that includes a business plan and sport strategy Voting R6 m for the execution of the sport plan Institution of an advisory board for sport	Community Interaction and Personnel
 Compliance	Fire danger in public areas	Repairing dangerous wiring and fire alarm system in the HB Thom Theatre Funding request to the University Council for further improvements to prevent interruptions in service	Chief Operating Officer
	Legal compliance with the Protecting of Personal Information Act (PoPI)	Putting the proposals in the report on the external evaluation of Legal Services into operation	Community Interaction and Personnel



\* Systemic sustainability





# FACULTY REPORTS

The core business of Stellenbosch University is carried out by our 10 faculties. Collectively, this core business comprises teaching and learning, research and innovation, and community interaction.

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; and
- the business of community interaction enables the practical two-way sharing of knowledge with society.

Eight of our University's 10 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](http://www.sun.ac.za).







# FACULTY OF AGRISCIENCES



The Faculty expanded on its successes of the preceding years with regard to quality tuition, applied research in agricultural sciences and other contributions in related spheres.

Good progress was made with the renewal of undergraduate study programmes in, among others, plant and soil sciences, animal production systems, and forestry and wood sciences. Programmes in subjects such as agricultural economics and viticulture and oenology will have to be revised in 2015. We entered new knowledge markets with the introduction of new MSc programmes in sustainable agriculture and food security, postgraduate diplomas in, among others, aquaculture, animal science and viticulture, and five short courses.

The accessibility of study programmes was broadened with the introduction of parallel-medium tuition and interpreting services in modules such as biometry, genetics, animal sciences and food science. Academic support to students was expanded thanks to mentor and tutor programmes and financial support in the form of bursaries and loans (R19,9 million). This contributed to sustained improvement in student success and an undergraduate pass rate of 80%.

The sustained increase in the number of PhD and master's graduates is the result of a strong focus on postgraduate study. The introduction of a structured induction programme for new postgraduate students, along with intensified study supervision and monitoring led to a significant improvement in study success. Student numbers have increased slightly to 1 337 undergraduate and 477 postgraduate students with coloured, black and Indian students comprising 24,4% and 36% of these totals respectively. The strong increase in postgraduate students from other countries in Africa is indicative of the Faculty's status and involvement on the continent. In this regard, a specific initiative offers a study opportunity to five PhD candidates from the Regional Universities Forum for Capacity Building in Agriculture (RUFORM). The Faculty's research profile expanded thanks to the support of industry bodies and government. Besides the four existing SARCHI chairs in post-harvest technology, plant biotechnology, meat science and wine biotechnology, two further research chairs were introduced, in agronomy and horticultural science. Eleven research fellows and a number of lecturers extraordinary and researchers were appointed. Three candidates from the Faculty (Profs M Samways, L Hoffman, L Opara and J Kossmann) were nominated as part of a group of 33 distinguished professors at the University.

Our research outputs show sustained improvement, with important contributions being made in conservation ecology, biotechnology, food science, horticultural science, animal sciences and plant pathology.

Emphasis is placed on the promotion of research outputs, innovation and technology transfer. In relation to the aforementioned, our staff were involved in the presentation

of two international conferences under the banner of professional associations.

The Faculty launched specific initiatives to appoint young, talented academics as part of the SU Legacy and the National Research Foundation's (NRF) research career promotion programmes. Appointments were made in the fields of agronomy, viticulture and oenology, genetics and food science, among others. Interdisciplinary initiatives such as the new MSc in Sustainable Agriculture and participation in the Centre of Excellence in Food Security were launched.

Partnerships were strengthened by entering into supplementary agreements with the industry (including the Protein Research Trust, HORTGRO Science, AGRICOL and CRI), the public sector (including the Departments of Science and Technology, Trade and Industry, Agriculture, Forestry and Fisheries, as well as the Agricultural Research Council), other national institutions (such as the Universities of Pretoria, Fort Hare, Limpopo and the Western Cape and the Council for Scientific and Industrial Research) and international institutions (the *Katholieke Universiteit Leuven*, as well as the Universities of Ghent, Wageningen and Hohenheim). The cooperative agreement between SU and the Agricultural Research Council on the optimal utilisation of scarce skills, facilities and equipment deserves special mention.

Community interaction initiatives increased to 37 projects in 2014, of which a number made a direct contribution to rural development and economic empowerment. Our strategic links with the Elsenburg Agricultural College were broadened as regards administrative and academic support services and exchange. Cooperation with the Western Cape Department of Agriculture still remains a priority.

Progress was made in increasing the Faculty's visibility and contribution in the broader community. This included initiatives such as the quarterly newsletter, regular popular publications, industry liaison, workshops and open days, alumni events and the popular AgriSciences Golf Day. The founding of the Prof Daan Strydom bursary fund in horticultural science was a particular highlight. Student recruitment was also given continued attention through initiatives such as schools visits, career exhibitions, workshops for agriculture teachers, AgriScience@Maties programmes and the Eqstra and SU recruitment bursary projects.

At present the Faculty is well positioned to adapt to a rapidly changing institutional and external environment, to react to opportunities and to contribute in a sustainable and innovative manner to future-oriented challenges.

**Prof Danie Brink**  
Acting Dean: Faculty of AgriSciences



# FACULTY OF ARTS AND SOCIAL SCIENCES



The interpretation and re-interpretation of those things that promote or undermine our humanity in society are central to the knowledge project being driven by the Faculty of Arts and Social Sciences. In this regard we try to focus particularly on all the challenges that we face in the definition of our humanity and those that determine or limit our humanity.

A number of crises are currently being experienced worldwide and it is not inappropriate to say that we are confronted with a crisis of our humanity. Against this background, the knowledge project offers particular opportunities for transdisciplinary research, teaching and community interaction, through which we strive to make a difference in the world.

As far as teaching is concerned, we have introduced a variety of new postgraduate teaching programmes on themes such as health and development, disaster and risk management, town and regional planning, language acquisition, sign language, film music, demography, China literacy, sound technology and international health management.

As far as research is concerned, the Faculty produced the highest number of weighted research outputs at the University for the second year in a row, and currently boasts 59 NRF-rated researchers.

Among the cutting-edge research in our Faculty that has a large impact on South African society and farther off on the continent, for example, is the Faculty's involvement in the DST-NRF Centre of Excellence in Human Development, which is housed at the University of the Witwatersrand. SU will manage the chair in collaboration with six other institutions in South Africa. Prof Mark Tomlinson of the Department of Psychology has been appointed as one of the 12 core researchers at this Centre.

The Faculty also is very proud of the fact that the Centre for Research on Evaluation, Science and Technology (CREST) is the co-host of the DST-NRF Centre of Excellence in Scientometrics and Science, Technology and Innovation Policy (SciSTIP) and houses the first Chair in Science Communication on the African continent.

In addition, the Peripheri U Consortium of the Faculty's Research Alliance for Disaster and Risk Reduction (RADAR) has become an Integrated Research on Disaster Risk (IRDR) International Centre of Excellence. This is the only one of its kind in Africa and the sixth in the world.

To share the results of its cutting-edge research with the broader community is also very important to the Faculty. This sharing of knowledge takes place via the 43 registered community interaction projects in the Faculty, and in the service-learning modules of departments such as Social Work, Psychology, Sociology and Social Anthropology, Drama and Visual Arts, in which research, teaching and community interaction are integrated with one another.

Further achievements include the first joint doctoral degree with the University of Leipzig, which was awarded during the December graduation ceremony to Dr Stefanie Baumert, programme officer at the German Research Foundation in Bonn, Germany.

We again produced a large number of PhD graduates in the 2014 academic year – 54 candidates received their doctorates in either December 2014 or March 2015. About 20 of these graduates obtained their degrees through the Graduate School in our Faculty. The main aim of this School is to strengthen and promote world-class doctoral training and subject expertise on the African continent by offering a partially structured programme over three years with bursary support for full-time residential study.

In 2014 the Faculty also strengthened a number of existing relationships with other universities. In November, a cooperation agreement was signed with the Faculty of Arts on the Antwerp Campus of the *Katholieke Universiteit Leuven* (KU Leuven) in Belgium. This agreement focuses on the PhD programme in Translation (translation, interpreting, editing). It does not only make provision for exchanges, but also for the awarding of joint PhD degrees between Stellenbosch University and KU Leuven in the future.

A memorandum of understanding and a partnership agreement for a joint PhD programme was signed with the Erasmus University in Rotterdam in November 2014.

There are currently eight distinguished professors in the Faculty, namely Profs Anton van Niekerk, Bill Nasson, Louise Viljoen, Nina Schumann, Keith Dietrich, Ashraf Kagee, Leslie Swartz and Johann Mouton. Prof Rob Pattman of the Department of Sociology and Social Anthropology received an honourable mention from the Higher Education Learning & Teaching Association of Southern Africa (HELTASA) in 2014, while Profs Dorothea van Zyl and Cheryl Walker were among the 15 academics who received the Chancellor's Award of the University this year (see page 67).

**Prof Johan Hattingh**  
Dean: Faculty of Arts and Social Sciences

# FACULTY OF ECONOMIC AND MANAGEMENT SCIENCES



During 2014 the Faculty of Economic and Management Sciences (EMS) made noteworthy contributions to the three core areas of the University's *Institutional Intent and Strategy 2013–18*, namely broadening access, sustaining the momentum of excellence and enhancing societal impact. The Faculty's leadership has been reinforced by the appointments of Prof Stan du Plessis as dean, Prof Christo Boshoff as vice-dean (research), and Prof Piet Naudé as director of the University of Stellenbosch Business School (USB).

Several initiatives to broaden access were undertaken, including expanding the language offering to allow all undergraduate modules to be presented in Afrikaans or English (parallel-medium instruction) or with simultaneous interpretation by 2016. Broadening the language offering at first-year level from 2013–2014 has already contributed to an increase of more than 5%, raising the Faculty's proportion of coloured, black and Indian first-time entering first-year students to 26,1%. The Faculty has already attained demonstrable postgraduate student diversity, with more than 50% coloured, black and Indian students and a growing number of international and African students.

Programme renewal has further contributed to the broadening of access. In 2014 seven new programmes, including a new four-year BCom degree in International Business, were developed and submitted for approval to the Department of Higher Education. The development of graduate attributes is prioritised when programmes are designed.

The introduction of new programmes and the new language offering will enable the Faculty to increase its current intake of first-time entering first-year students to a sustainable level of 1 500 per year by 2016. With 4 430 undergraduate and 3 130 postgraduate students the Faculty of Economic and Management Sciences is currently the largest faculty at the University. Several facility projects were launched to accommodate more students: the construction of two new lecture halls in existing spaces commenced in 2014, and the planning phase of a new lecture hall complex in the former parking area of the CJ Langenhoven Centre has been completed. The Faculty is also increasing its office and research space.

Various teaching and learning initiatives endeavour to enhance teaching excellence. New initiatives have focused on exposing students and lecturers to current information and communication technology (ICT) practices such as: blended learning, applying and expanding mobile technology in lecture halls, large-scale expansion of Wi-Fi technology in lecture halls, electronic assessment, and ICT support and training of personnel. The new generation student will have 24-hour connectivity, learning will be integrated with living areas and students will be able to use mobile technology equipment freely and seamlessly to enrich their learning experience.

The Faculty's academic activities have impacted positively on society through centres such as the African Centre for HIV and Aids Management and the Sustainability Institute.

In recent years the Faculty's research outputs have increased dramatically from 0,5 research outputs per senior equivalent in 2012, to 0,75 in 2013. The volume, quality and impact of its research outputs have made the Faculty the leading EMS faculty in South Africa. This is substantiated by the large number of NRF-evaluated researchers in 2014, namely 26.

The Faculty's focus on delivering more PhD students is gaining momentum with a record number of 18 PhD degrees conferred this year.

A postgraduate PhD School in Economic and Management Sciences kicked off in 2014 with the first intake of 10 full-time PhD students. The postgraduate school will highlight doctoral training as a central component of the Faculty's research activities, and improve the quality and efficiency of doctoral training.

Various departments excelled in the area of external accreditations. The School of Accountancy received the highest rating from the South African Institute of Chartered Accountants (SAICA), while the USB won reaccreditation from EQUIS, Europe's foremost business school accreditation body. The USB is the only business school in Africa to have attained EQUIS's highest level of endorsement.

Sizeable student numbers and research outputs enable the Faculty to generate sustainable income. Over and above the substantial subsidy income and student fees, the third-stream income generated by the Faculty in 2014 contributed 37,6% of its total income of R588 million, and more than 20% of the University's surcharge on third-stream income (indirect cost recovery rate). The Faculty has furthermore adopted a revenue-driven budget model that provides departments with information and incentives to ensure financial sustainability at all levels.

**Prof Stan du Plessis**  
Dean: Faculty of Economic and Management Sciences

# FACULTY OF EDUCATION



The vision of the Faculty of Education is to be acknowledged and respected as a leading and engaged research-driven education faculty. This drives much of our work, as we strive to play a leading role in education, both locally and globally, to engage with educational challenges, particularly in South Africa, to integrate research with teaching, learning and community interaction, and to promote high-quality research into key educational issues.

The following proposals in the National Development Plan talk directly to the work of the Faculty:

- strengthening and expanding early childhood development;
- increasing teacher training and teachers' subject knowledge; and
- improving school leadership and management.

The institutional priorities of broadening access, sustaining momentum of excellence and enhancing societal impact are carried out through a range of teaching and learning, research and community engagement activities.

During 2014, the Faculty worked on the institutional goal to offer high-quality and innovation in the curricula of 14 new programmes. This was part of the alignment with the Higher Education Qualifications Framework and the Minimum Requirements for Teacher Education Qualifications. These new programmes will be offered as soon as all national approval processes have been finalised. Built into the new BEd is the development of Stellenbosch University graduate attributes.

The institutional goal of broadening access was addressed through the highly successful Hope@Maties and SciMathUS projects, both of which work with promising school leavers to improve their results so that they can gain access to university. Extensive tutor help is also provided to students who need support.

Technology in education received much attention during the year, with the following being implemented: the use of e-portfolios as a reflective mechanism, staff training in blended learning, a short course for students on digital literacy, and a Mobilex project that provides students with subject-specific glossaries on their cellphones. Plans for next year include expanding the digital literacy short course to schools across the province.

One of the national Department of Education's priorities is lecturer training. During 2014 the Faculty launched the new Postgraduate Diploma in Higher Education (Teaching and Learning) together with the University of the Western Cape and the Cape Peninsula University of Technology. This regional collaboration is currently being expanded to a national partnership of universities across the country.

The Faculty has as one of its strategic goals to expand the quality and number of research outputs. In 2014 we saw the best year for research outputs for the Faculty for the last 10 years, with 44 master's and 19 doctoral degrees being awarded. Publication output also increased substantially, with

about 64 units, in comparison to 48 five years ago.

A number of staff members were awarded Mellon grants, had their NRF ratings renewed, served on editorial boards, or provided public opinion via newspapers, radio and television. A major contribution to the field is the five accredited journals hosted in the Faculty. All of these initiatives attest to the goal of ensuring that members of the Faculty play their role as thought leaders in society.

Members of the Faculty were acknowledged in various ways for their excellent contributions to the field. Dr Michael le Cordeur received the Klein Drakenstein award for his book *Wellington Klopse* as well as for his work with the teaching of Afrikaans. Prof Aslam Fataar was a recipient of the Education Association of South Africa medal of honour, and was also elected as the first President of the newly-established South African Educational Research Association. Prof Yusef Waghid and Prof Lesley le Grange were appointed as distinguished professors, and the Chancellor's Award was awarded to Prof Yusef Waghid and Dr Michael le Cordeur (see page 67). Three History students were acknowledged for their work with the Holocaust Centre, and Mr Simon Speelman, a school principal enrolled for the Advanced Certificate in School Leadership, was one of the winners of the Teacher of the Year award of the Western Cape Education Department.

Capacity remains the key challenge of the Faculty, as much of the work is labour intensive, but this is addressed through careful planning. Future plans include enhancing the profile and reputation of the Faculty through better marketing, the identification and promotion of specific research focus areas, the building of relationships with alumni, and expanding partnerships with schools, for example in areas like special needs education, leadership, digital literacy, or specific subject areas.

**Prof Maureen Robinson**  
Dean: Faculty of Education





# FACULTY OF ENGINEERING



The year 2014 was a particularly good one for the Faculty of Engineering, with a number of highlights despite the many challenges that needed to be taken into consideration.

**F**our big milestones were achieved in the field of learning and teaching. The Faculty experienced its largest BEng intake ever, with 715 newcomer BEng first-year students in comparison with the 585 in the previous year. The total number of undergraduate students increased by 7,4% to 2 770. The Faculty could boast the highest number of new master's and PhD registrations in its history. A record number of 855 postgraduate students represents growth of 9,3% since 2013. Another gladdening aspect is the strong growth in the number of coloured, black and Indian first-year students, which has nearly doubled to 207 since 2012.

Despite the unprecedented growth in student numbers, the Faculty was able to maintain the quality of its teaching and content on a high level. Thanks to the dedicated academics and accurate quality assurance, all six BEng programmes were accredited in full by the Engineering Council of South Africa (ECSA) until the end of 2018, with no deficiency. Where a deficiency initially was pointed out in one of the programmes, it was found after an appeals process that there was in fact no deficiency. It indeed is an achievement (and unique within the current ECSA accreditation process) that all the Faculty's BEng programmes were accredited for the full five-year term without any deficiencies after the second consecutive accreditation visit.

The Faculty performed excellently as far as research and innovation are concerned, with the largest number of research outputs and the biggest increase in third-stream income. Research outputs for 2013 comprised 352 weighted research units, of which 159 were publication units. This entailed growth of more than 40% in publication units from the previous year. The Faculty's audited third-stream income amounted to more than R163 million in 2014, which displayed good growth of close on 17% on the previous year.

By providing young people with top-quality education that equips them for a productive and rewarding career, the Faculty provides them with personal hope, but also offers hope to the society in which they will deliver their engineering services to improve living conditions. A service-learning project in which engineering students act as Mathematics tutors at local high schools creates hope for the participating learners by equipping them with better mathematics skills, which often form part of the selection criteria for study at university. At the same time it helps the Faculty's graduates to obtain a better picture of conditions in the less-privileged sections of the community.

The Faculty furthermore served society and the industry in a variety of fields and ways. Annual initiatives (such as the Engineering Open Day, Winter Week and the Women in Engineering, Top Learners and Role Models functions)

made communities aware of the importance of engineers in society.

A new, exciting dimension that was added in 2014 was that approximately half of the senior engineering students (260) completed a leadership module at the Frederik Van Zyl Slabbert Institute for Student Leadership Development as part of Philosophy and Ethics in order to equip them better to make a difference in society.

The increase in the Faculty's third-stream income also will have a positive impact on society. One good example is the Faculty's involvement in research in the field of renewable energy. Two highlights were the establishment of the sponsored Scatec Solar Research Chair in Photovoltaic Systems, and the Heliostat 100 pilot project that uses concentrated solar power.

TRAC South Africa is going from strength to strength. The national, nonprofitmaking physical science intervention programme of the University and the Faculty promotes science, applied mathematics and technology education in South African high schools. It empowers and motivates learners to follow careers in the sciences, engineering and technological fields. Among the successes are that, of the more than 7 106 Grade 12 learners who had formal exposure in 2013, 1 608 enrolled as first-year students in these focus areas at tertiary institutions in 2014 (an improvement of 40% on the previous year), and that there was a 30% increase in the number of students who received bursaries.

The exceedingly high work load, particularly of the lecturing staff, as a result of the increasing number of students threatens the continued maintenance of high research outputs. The current state funding formula for engineering faculties is an even greater cause for concern.

With a view to the future, large-scale refurbishing and renovation of the infrastructure and facilities are being planned from 2015 on to accommodate the large student corps and to modernise facilities. Two of the most important aspects are the furnishing of a study centre on the ground floor of the General Engineering building and the renovation of the entire Engineering building complex, which now is close on 45 years old.

**Prof Hansie Knoetze**  
Dean: Faculty of Engineering



The pursuit and development of academic excellence require a continuous, critical consideration of the way in which the Faculty's strategic priorities are aligned with the University's *Institutional Intent and Strategy 2013–2018*. The external evaluation of the Faculty, including the Legal Aid Clinic, which was completed in December 2014, plays a key role in the process of critical consideration. As one of the outcomes of the external evaluation, a comprehensive audit was undertaken of learning and teaching, as well as of research.

The Faculty places a high premium on the development of our knowledge base. The number of staff who have doctorates has grown, and a further two members of staff have received NRF ratings, one of them being Prof Sandy Liebenberg, who received a B2 rating. Profs André van der Walt, Jacques du Plessis and Cornie van der Merwe also received recognition for their respective contributions to research. Two young colleagues were appointed as MERC fellows – a unique opportunity to develop their academic potential within the Faculty's activities. Profs André van der Walt and Jacques du Plessis were appointed distinguished professors for a period of five years. Prof Van der Walt received the Chancellor's Award for research, and Prof Sandy Liebenberg received the Chancellor's Award for community interaction (see page 67).

We work continuously on improving the success rate of our undergraduate students. The promotion of student success entails the extension of the existing support to first-year students, making assistance and tutors available, and curriculum and teaching innovation. A permanent student support coordinator has been appointed, which means that we can ensure continuity in the development and refinement of the support programme. In the endeavour to improve student success, sufficient space is allowed for innovative teaching practices. The proposed appointment of an ICT coordinator in Law confirms the Faculty's commitment to renewal in the field of teaching.

The broadening of staff to include the designated groups remains a challenge. The Faculty is confronted by the reality of a limited number of vacant posts as well as a limited pool of potential candidates. However, the Faculty does not try to avoid challenges and remains sensitive to pursuing diversity targets.

Our selection policy creates an opportunity to achieve the institutional objective of student diversity. The availability of recruitment bursaries and the Stonehage recruitment bursary scheme play a key role in the diversification of the undergraduate student corps. It is the Faculty's objective to expand on the existing bursaries for senior students from law firms and to coordinate the support that is received from the Stonehage Group and the Links SA Trust, the AALL Foundation and the Amicus Fund, and to expand on this.

The Faculty competes with other faculties to recruit students from a limited pool of candidates who are interested in continuing with postgraduate studies. Africa is an unexploited market and the Faculty must consider

a strategy to serve as an attraction for this market. Recruitment is of critical importance on the postgraduate level, backed up by funding. Generous funding from the Ciucci family, along with the Dean's Fund and the Law Faculty's Trust, make it possible to fund a limited number of students.

The field of jurisprudence is a dynamic one that poses unique demands on the lecturing staff. It remains the Faculty's objective to respect and to manage the close relationship between world-class research and teaching that also are socially relevant. The achievement of this objective goes hand in hand with the financial sustainability of the Faculty. It is thus of great importance that a higher income should be ensured from the research subsidy, that the throughput of master's and doctoral students should be increased, and that undergraduate student success is stabilised. The achievement of these objectives and the expansion of third- and fourth-stream income remain the biggest challenges for the Faculty in the next year.

**Prof Sonia Human**  
Dean: Faculty of Law



# FACULTY OF MEDICINE AND HEALTH SCIENCES



The vision of the Faculty of Medicine and Health Sciences (FMHS) is to advance health and equality in South Africa and beyond. Our research activities address some of the most critical health challenges of our country and continent, and this work informs clinical practice and health policy.

**E**qually transformative are our educational efforts, in particular those that focus on equipping students to address the healthcare needs of rural and underserved communities, and that stimulate critical thinking, innovation and leadership. Our Faculty's priorities therefore are aligned well with the goals of the Provincial and National Departments of Health and the National Development Plan.

During the past year a number of Faculty staff members were recipients of highly prestigious awards. A total of 18 FMHS researchers were among the 92 Stellenbosch University researchers recognised for making the largest contribution to accredited publications and doctoral graduates.

Prof Simon Schaaf was awarded the National Order of Mapungubwe for his outstanding contributions to the understanding and control of drug-resistant tuberculosis. Prof Gerhard Theron received the Albert Strating Prize for Preventative Medicine from the *Suid-Afrikaanse Akademie vir Wetenskap en Kuns* for his internationally recognised work on, among others, the prevention of maternal morbidity and mortality. Prof Sam Moore was honoured with the Denis Browne Gold Medal of the British Association of Paediatric Surgeons for his meritorious contributions to paediatric surgery.

Additionally, four of the Faculty's researchers were included in the first group of 33 SU academics to receive the title of distinguished professor. They are Profs Paul van Helden, Nulda Beyers, Simon Schaaf and Robert Gie. Prof Wynand van der Merwe received a Chancellor's Award (see page 66).

The year 2014 also saw various new centres and research initiatives being established in the Faculty. The aims of the Biostatistics Unit include conducting biostatistical research, providing in-house statistical consulting and assisting with the preparation of grant applications. A Centre for Health Systems and Services Research and Development will advance the strengthening of healthcare systems through conducting research targeted at advancing cost-effective and efficient health service delivery.

A multimillion rand biorepository has been launched for the storage of biological specimens from patients with HIV-related cancers. This Sub-Saharan African Regional Biospecimen Repository will help build 'biobank' capacity in Africa and stimulate research on HIV-related cancer. On the education front the Faculty was one of only 13 institutions worldwide to be selected as an International Collaborating Centre (BICC) by the Best Evidence Medical Education (BEME) Collaboration.

We have continued to expand and strengthen well-established teaching and learning initiatives. More than 3 500 lecture podcasts have been produced and are available for students to download. The challenge of increasing student numbers and the resulting pressure on computer facilities has been addressed partially through the introduction of an innovative BYOD (bring your own device) system, which enables students to complete tests and exams on their own portable devices.

Our Xhosa courses remain an important means to equip students to converse more effectively with patients and to deepen their understanding of health-related issues. A new app to help students with their Xhosa pronunciation was developed as a collaborative project between the Sitheth' iMpilo Initiative at our Occupational Therapy Division, and the Human Language Technology Research Group of the Meraka Institute of the Council for Scientific and Industrial Research. The design and application of this unique app have produced a first of its kind supporting clinical consultation in any African language.

We are pleased that our renowned Ukwanda Rural Clinical School now enables groups of medical, occupational therapy and dietetics students to be immersed in a rural setting for an extended period of time where they work in interdisciplinary teams. This, in turn, drives research in rural areas and promotes strong partnerships with communities and local organisations.

We also have expanded our partnership with the private sector through a ground-breaking agreement with Mediclinic Southern Africa that provides a framework for some of the training of our medical students to occur in selected Mediclinic hospitals.

While proud of the successes achieved by our staff and students, we remain cognisant of the enormous challenges ahead. Inequities in South Africa and the world related to poverty, unemployment, poor social conditions and uneven access to opportunities for development remain formidable barriers to the achievement of health for all. We will continue to strive to ensure that our work brings about lasting change.

**Prof Jimmy Volmink**  
Dean: Faculty of Medicine and Health Sciences



# FACULTY OF MILITARY SCIENCE



Consistent with Stellenbosch University's Vision 2030 and the Millennium Development Goals, the Faculty of Military Science is committed to position the University as a research-focused academic institution of excellence. During 2014 the Faculty instituted a PhD programme, and cemented the staff exchange programmes with the Universities of Coventry and Kadir Has in Turkey. We are privileged to be the sole provider of tertiary education for officers of the South African National Defence Force (SANDF), and are dedicated to developing and instilling the requisite technical, professional and functional skills in our future military leaders. The Faculty has embraced the University's mission to enhance societal impact and create synergistic networks through our collaborative research structures and pledges to joint community projects.

**T**he Faculty actively seeks and creates opportunities to exchange and broaden our knowledge on security trends and maintains civil-military relations through joint projects with international and national peers. Participants from our five schools attended various conferences and workshops and successfully negotiated several memoranda of understanding (MoUs) during 2014.

The School for Defence Organisation and Resource Management successfully hosted the 4th African Accounting and Finance Conference (AAFC) in September 2014. The African Accounting and Finance Association (AAFA) is a highly regarded continental body that provides a debating platform for academics, practitioners and graduate students from the international finance community. Stellenbosch University plans to release a special publication in 2015, with the output from the AAFC constituting the main source of manuscripts.

Several papers were presented at international conferences in the fields of Financial Accounting, Mathematics, Politics and Public Administration. Dr Abraham Prins presented a paper at the largest congress in the Mathematics community, the International Congress of Mathematicians (ICM), in Seoul, Korea.

An MoU was signed with the Saldanha Bay Municipality, home of the Military Academy, which aligns with Stellenbosch University's mission to establish synergistic networks and enhance societal impact through rural development and addressing local community needs. The parties agreed to establish joint projects that focus on research, community-based learning and teaching, and sustainable community development, while capitalising on their existing expertise and infrastructure.

Commander Jacques Bezuidenhout and the Independent University of Luanda in Angola signed an MoU to collaboratively research the movement of sediment along the Kwanza River in Angola. The initial findings were presented at a joint SA/Angola workshop in Lubango, Angola, in February. The project is jointly funded by the National Research Foundation and the Angolan Ministry of Science and Technology.

The Faculty maintained its international research profile through staff exchange visits to Russia, Italy, Coventry University and Kadir Has University in Turkey. We continue to publish our accredited interdisciplinary research journal

*Scientia Militaria, South African Journal of Military Studies*, bi-annually, and all submissions are peer-reviewed by at least two field experts.

The Faculty successfully presented the third Senior Military Management Programme (SMMP) in partnership with the South African National War College in Pretoria during the winter recess period. We played a pivotal role in accrediting the SANDF's Executive National Security Programme of the South African National Defence College in Pretoria, where members meeting the admission requirements will gain entry into the MPhil in Defence Studies programme. This is the most senior officer's course of the SANDF and successful members are usually promoted to the military rank of General. The programme will commence in 2015. A security-related PhD programme was introduced in January 2014, and the first two candidates have embarked on their research. Four students are streamlining their research proposals and should commence their studies in 2015.

The Faculty sustained its higher than average student success rate in 2014. Thirty eight (90%) of our final-year undergraduate students were awarded Bachelor's degrees, eight students received honours degrees and two master's degrees were conferred, both *cum laude*. Drs Fankie Monama, Commander Ishmael Theletsane and Tyrel Flugel obtained their doctorates and Lieutenant Colonel Beauty Monnanyane, Captain Masole and Ms Babelwa Mtshawu obtained master's degrees.

Looking ahead, the *2014 South African Defence Review* requires that all officers should have an undergraduate degree. As the only faculty of its kind in the South African higher education sphere, this has significant implications for us. The Military Academy will have to accommodate more than 1 000 residential students, and will therefore undertake refurbishment, modernisation and expansion initiatives worth about R240 million in 2015.

**Prof Sam Tshehla**  
Dean: Faculty of Military Science



# FACULTY OF SCIENCE



The Faculty of Science strives to develop innovative, critical thinkers who can play an active role in the development of a successful multicultural South African society.

**D**uring 2014 the Faculty continued with several strategic initiatives to support student access and student success, especially with regard to diversity students. The number of recruitment bursaries was increased to 181 compared to the 41 offered in 2012. This strategy paid off, as 107 recruited diversity students registered in 2014 (compared to 34 in 2012). The overall percentage of diversity undergraduate students increased to 33,8%, the highest percentage to date.

Other initiatives to improve student success include differentiated tutorial support to cater for the needs of both struggling and outstanding students. Feedback after the first semester showed improved retention of students, improved pass rates and engagement of repeating students, and better understanding of the subject material. With four Centres of Excellence, eight Research Chairs and a large cohort of NRF-rated scientists, our postgraduate students participate in research teams that can compete with the best in the world. This research is supported by a significant number of competitive grants from the NRF, national and international programmes, funding agencies, industries and companies. In order to support research, more funding from non-governmental agencies, both national and international, will have to be sought in the future.

The Faculty has extensive collaborative agreements with some of South Africa's major role players in the field of science and technology, such as SASOL, Eskom, the Council for Scientific and Industrial Research, the Water Research Commission and the Chamber of Mines.

Our strong research ethos is evident from a Web of Science analysis. A search for publications produced by staff, students, research associates and other affiliates of the Faculty from 2010 to 2014 returned 1 732 publications over 4,5 years. The departments of Botany and Zoology (23,7%) and Chemistry and Polymer Science (8,7%) produced most of the papers. However, measures have been put in place to address the decrease of 16% in our publication output from 2012 to 2013.

National outreach programmes, such as the Eskom International Science Fair and national and international Mathematics Olympiads, were again supported by staff and postgraduate students. Other outreach activities are the annual Maties Science Winter Week and the Department of Physics annual road trip. The SUNCOI project of the

Department of Chemistry and Polymer Sciences, which is aimed at learners and teachers, continues to grow from strength to strength under the leadership of Dr Rehana Malgas-Enus and Prof Klaus Koch.

The year 2014 was an exceptional one for staff and students in terms of national and international recognition. Prof Len Barbour was awarded the South African Chemical Institute's Gold Medal in recognition of his outstanding contribution to the field. Dr André de Villiers was named as one of the 'Top 40 Under 40' most influential analytical scientists in the world by *The Analytical Scientist*, and also received the 2014 LCGC Emerging Leader in Chromatography Award.

Prof Douglas Rawlings earned his DSc degree and received the Chancellor's Award for excellence in research (see page 67). Prof Terry Robinson also received the Chancellor's Award and the Havenga Prize for Life Sciences awarded by the *Suid-Afrikaanse Akademie vir Wetenskap en Kuns*. Prof Marina Rautenbach received the Department of Science and Technology's Distinguished Women Scientist Award in the category natural sciences and engineering. She was one of five female academic staff members to deliver their inaugural addresses in 2014. Prof Dave Richardson and Prof Guy Midgley were among the six South African scientists who were included in the Thomson Reuters list of most influential contemporary researchers in their fields of expertise.

Postgraduate students Thomas Weighill, Rijnard van Tonder and Jacques Marais performed exceptionally well. Weighill, an MSc student in Mathematics, received the Chancellor's Award (see page 66) and the S<sub>2</sub>A<sub>3</sub> award for the best research project at MSc level in the natural, engineering and medical sciences. Van Tonder and Marais, both MSc students in Computer Science, won the Ericsson's mobile applications competition. Van Tonder was a runner-up in the IBM Master the Mainframe World Championship, regarded as the largest and most competitive mainframe computing competition in the world.

Despite numerous challenges, the Faculty of Science continues to cultivate the next generation of South Africa's young scientists and innovators.

**Prof Louise Warnich**  
Dean: Faculty of Science



As one of the 10 faculties of Stellenbosch University, the Faculty of Theology endeavours, by being true to its nature, to contribute to the value that the University generates and shares in local and global contexts.

As the only faculty of theology in the southern provinces of South Africa, the Faculty makes unique contributions to the University's overall offering to communities in Africa, and specifically to communities in the southern provinces of South Africa. In a country and on a continent where religious faith is growing and influencing people's values, choices and practices in a decisive manner, the scientific study of religious faith holds particular importance and value.

The Faculty's activities are directed by the areas in which the University wants to add and share value. Through its core functions – research, learning and teaching, and community interaction – the Faculty participates actively in the building of human dignity and human rights, combating poverty and related conditions, deepening democracy and a human rights culture, and building human and comprehensive security, peace and sustainability.

The building of excellence in a university context is dependent, among others, on continuous good research. In 2014 the Faculty again presented a number of local and international conferences of a high quality, and the lecturers produced a list of excellent local and international publications. The Faculty invested generously in the development and strengthening of research capacity, particularly that of younger members of staff.

Opportunities to become equipped for doing research are created on a consistent basis for students and for younger lecturers. The focus, among others, was on the integration of research with learning and teaching, and particularly also with community interaction and service learning. The research capacity of the Faculty's centres was also utilised in these efforts.

The Faculty endeavours to improve the *student success* of undergraduate students in particular by using tutors and mentors, individual guidance of first-year students especially, workshops for lecturers on learning and teaching, and the effective implementation of the extended degree programme. The trial run on real-time educational interpreting, and a workshop that was held on the effective implementation of the dual medium option and a mixed language model, as well as the development of an Afrikaans-English-Xhosa glossary, will also contribute to student success.

In addition to a good throughput rate and a strong academic profile, our students also excel in other fields, such as in leadership positions and in sport. This year, one of our students even was Mr Matie!

The Faculty's diversity grew further in 2014 with regard to the ethnic, socio-economic, gender, age and religious denomination of both our student and staff corps. This comprehensive diversification process is carried out in the conviction that it is greater diversity that strengthens excellence. However, the many needs of students from

disadvantaged socio-economic contexts give rise to demands that require special attention.

The Faculty added value to the University's endeavour to achieve comprehensive sustainability. Social sustainability was served through the emphasis on staff wellness by appointing a full-time accountant, the search for fair workloads and job descriptions, and the preservation of the staff members' sabbatical leave. Physical sustainability was served through the extension and proper maintenance of our infrastructure. Ecological sustainability was addressed through the economical use of natural resources and a focus on ecological themes in the curriculum. Financial sustainability remains a challenge that the Faculty counters by ensuring that it performs in the fields that generate funding.

A number of staff members were honoured by the Vice-Rector (Research and Innovation) for their research outputs, namely Profs Dirkie Smit, Johan Cilliers, Jeremy Punt, Hendrik Bosman, Louis Jonker, Christo Thesnaar and Nico Koopman, Professor Emeritus Jurgens Hendriks, Professors Extraordinary Eddy van der Borgh and Bram van de Beek, and Prof Naas Swart (who currently works at UNISA). Prof Dirkie Smit was appointed as one of the University's distinguished professors this year, and also received the Chancellor's Award (see page 67).

Staff also play a strong role on a number of other levels in congregations, communities and even in international bodies. For example, Prof Mary-Anne Plaatjies van Huffel is the first female moderator of the Uniting Reformed Church in Southern Africa. She also is one of the eight vice-presidents of the World Council of Churches.

The Faculty's positioning for the future is directed by the University's *Institutional Intent and Strategy 2013–2018*, which puts emphasis on academic excellence and international impact, inclusivity and accessibility, innovation and future-directedness, and hence continuous academic transformation and innovation.

**Prof Nico Koopman**  
Dean: Faculty of Theology





# EXCELLENCE

The University acknowledges the success of individuals who have upheld a sustained momentum of excellence throughout their careers or studies, as well as their contribution to society. We reward our achievers through the conferment of Honorary Degrees, Chancellor's Awards and the Chancellor's Medal.

## HONORARY DEGREES

In the reporting year, the University awarded four honorary degrees – to Prof Frederick Hugo in December 2014, and to Dr Michiel le Roux, Adv Thuli Madonsela and Prof Neil Turok in March 2015.



**FREDERICK HUGO** has made extensive contributions to innovation and advancement in the civil engineering industry, with unwavering commitment to furthering the profession by capacitating existing and future industry leaders. As professor in the Stellenbosch University Civil Engineering Department, he established the Construction Management Programme, which produces many industry leaders; the Technology Research Activities Centre (TRAC), which assists under-resourced secondary schools with science and technology teaching; and the Southern Transportation Centre for Development, which has offered funding and mentorship to 950 Transport Engineering students. He not only personally excelled in the civil engineering industry, but paved the way to excellence for existing and future engineers.



**MICHEL SCHOLTZ DU PRE LE ROUX** utilised visionary business acumen to unlock the banking industry for the previously disempowered, helped stimulate the South African economy, and selflessly contributed to a better South Africa. With the establishment of Capitec he established a new type of bank that changed South African banking for good and for the better. Yet he remains aware of his social responsibility and in the past four years, through the Millennium Trust, he has appropriated R48 million for projects contributing to a successful South Africa. With his revolutionary though responsible entrepreneurship he is leaving an indelible mark on the country.



**NEIL GEOFFREY TUROK** used his innovative approach to enhance the science landscape through exceptional scholarly contributions and programmes advancing science education at the grassroots level in Africa. As director of the Perimeter Institute for Theoretical Physics in Canada, he collaborated with Stephen Hawking to develop the Hawking-Turok instanton solutions for the birth of inflationary universes. The book he co-authored, *Endless Universe*, unlocked a cyclic cosmological model for a general readership. Advancement of science in Africa remains his priority and in this regard he established the African Institute for Mathematical Sciences where his Next Einstein Project allows brilliant Africans to thrive in science.



**THULISILE NOMKHOSI MADONSELA** is a fervent advocate for justice in her commitment to the Constitution, her contribution to eradicate discrimination through law reform, and by keeping a watchful eye over our constitutional democracy. What sets her apart is her practical contribution to the drafting of our Constitution and subsequent laws, as well as the law reform that necessarily followed. As Public Protector she curbs administrative injustice, demands accountability in the exercise of public power and the use of state resources, and ensures correction where needed. Her contribution is remarkable and worthy of emulation, and makes her a torchbearer of hope for the future of Africa.



## CHANCELLOR'S MEDAL

Thomas Weighill, who was awarded the MSc degree in Mathematics cum laude in December 2014, is the winner of the Chancellor's Medal of Stellenbosch University for the year under review. The Medal is awarded annually to a final-year undergraduate or postgraduate student for outstanding academic performance.

Thomas Weighill, who obtained an MSc in Mathematics at Stellenbosch University (SU) in 2014 and is a former Paarl Boys' High School pupil, was named the recipient of SU's coveted Chancellor's Medal for 2014 at the graduation ceremony of the Faculty of Science.

The medal is awarded to a final-year undergraduate or postgraduate student who excelled in their studies. It is the sixth time that the medal – since its inception in 1961 – has been awarded to a mathematics student.

Weighill also collected another prestigious academic award, the  $S_2A_3$  Medal. The  $S_2A_3$  Medal – instituted in 1981 – is awarded by the Southern Africa Association for the Advancement of Science ( $S_2A_3$ ) for outstanding original research at master's level in the natural, medical and engineering sciences at South African universities. Each university may make one award every year. Both the Chancellor's Medal and the  $S_2A_3$  Medal were presented at the graduation ceremony.

Weighill managed to sustain an average of 91,1% during his six years of study at Stellenbosch University. His MSc thesis in Mathematics, for which he obtained a final mark of 97%, was accepted without any revisions by three external international examiners.

Described as a student with "an exceptional mind" and "in a class of his own", Weighill opted for an MSc in Mathematics after he obtained his degree in Electrical and Electronic Engineering, *cum laude*, in 2012. He also completed the Foundations of Abstract Mathematics course in 2011 despite his busy lecture schedule at Engineering.



In order for him to enrol for an MSc in Mathematics in 2013, Weighill had to informally follow six postgraduate modules during the first year of his studies. He obtained 100% in three of these, and more than 90% in the rest.

By the end of 2013, Weighill had co-authored three papers with his supervisor, Prof Zurab Janelidze, from the Department of Mathematical Sciences. The first of these papers has appeared in a leading international journal in the field, *Theory and Applications of Categories*. The results of his research have been presented at seven national and international conferences, including the International Category Theory Conference which took place in Australia in July 2013, and is regarded as the most important conference in category theory.

Thomas is now leaving for the United States where he was accepted for a PhD programme in Mathematics on a graduate research assistantship at the University of Tennessee.

## CHANCELLOR'S AWARDS

Stellenbosch University awarded 15 of its leading academics with Chancellor's Awards for the first time at the December 2014 graduation ceremonies. The Awards were in recognition of their continued contribution to excellence in the fields of research, learning and teaching, and community interaction.

**PROF WYNAND VAN DER MERWE** contributed extensively to the Faculty of Medicine and Health Sciences at SU. As Dean of this Faculty, he developed and implemented high-level strategies at faculty and university level, established the Clinical Skills Centre, the Centre for Health Professions Education, the Ukwanda Rural Clinical School and the Worcester Campus. He adapted the selection guidelines for the MB, ChB programme, to achieve better student diversity. He also served the University as acting Vice-Rector (Teaching).

**PROF HANSIE KNOETZE'S** teaching excellence has been recognised with two Rector's Awards for Excellence in Teaching and the Lecturer of the Year Award in the Faculty of Engineering. He made invaluable contributions at institutional level to the status and quality of teaching and was appointed Dean of the Faculty of Engineering in 2012. He has published 56 articles and has made 150 contributions to conferences, and 15 doctoral students and 40 master's students have graduated under his supervision.

**PROF WILLEM PEROLD**, Vice-Dean of Research in the Faculty of Engineering, was appointed as distinguished professor in Electrical and Electronic Engineering at SU in 2014. He also serves on numerous committees of the University. He established a unique nanotechnology fabrication laboratory with sophisticated visualisation instrumentation and achieved a B rating from the NRF. He is responsible for publishing 54 academic articles, for 87 conference contributions and for several patents, and has supervised seven PhD and 36 master's students.

**PROF JAN DU TOIT**, Director of the Africa Centre for HIV/Aids Management is a pioneer in the fight against HIV/Aids in the workplace. He founded the Africa Centre for HIV/Aids Management where more than 4 300 students have completed the MPhil and doctoral programmes; established the Division for Educational Theatre and Creative Arts; and reached and tested two million people for HIV. He received the State President's Award for Community Work from Dr Nelson Mandela.





**PROF NIC TERBLANCHE** developed the Department of Business Management into one of the foremost research-driven departments. He has published a great number of academic articles on marketing and became the first South African researcher to publish in the *Harvard Business Review*. The NRF awarded him one of the highest evaluations in his field. He is among four persons honoured with lifelong honorary membership of the Southern African Institute for Management Scientists.

**PROF DOROTHEA VAN ZYL** established the *Woordfees* in 2000 and the Words Open Worlds (WOW) Project in 2003 from her doctoral research that testifies to her vision to make Afrikaans accessible to all. One of the most sought-after town festivals in South Africa, the *Woordfees* is a showcase of SU's support of the arts. The WOW Project is having a countrywide impact, having already touched the lives of more than 180 000 people.

**PROF CHERRYL WALKER**, an activist and public intellectual, has devoted a career to gender equity and land reform and sought to create legislative and social scaffoldings within which justice is served. She was accepted as an affiliated scholar by the Center for Research on Women at Stanford University and served as a regional land claims commissioner for the Commission on Restitution of Land Rights. Her community-engaged scholarship has resulted in numerous policy reforms.

**PROF DOUG RAWLINGS** is an internationally recognised researcher on the molecular biology of micro-organisms used to extract metals from ore in the mining industry. He earned numerous awards and A ratings from the NRF and was one of the first South African scientists to enter the emerging field of recombinant DNA technology. He is respected for his passion and leadership, most recently as acting Dean of the Science Faculty.

**PROF TERRY ROBINSON** is an internationally recognised researcher in the field of evolutionary genetics and aspects of chromosome biology, including molecular cytogenetics, systematics and phylogenomics. He has received numerous awards and has been recognised as an A-rated researcher by the NRF. He has also provided academic leadership in serving as Head of the Department of Botany and Zoology and presently as Vice-Dean of Research in the Faculty of Science.

**PROF CHARL CILLIERS**, Director of SU's Centre for Student Counselling and Development, contributed towards the establishment of the Careers Office and the Office for Students with Special Learning Needs. He has received the International Golden Key Advisor of the Year Award; been accredited by the

NRF; and received the Manager of the Year Award from the Southern African Association for Counselling and Development in Higher Education.

**DR MICHAEL LE CORDEUR** shows untiring commitment to the communities he works in, and his devotion to students and dedication to the empowerment of people reflect a deep-rooted resolve and involvement. He has received several awards reflecting his stature in the Afrikaans-language landscape and was honoured as a tireless labourer for Afrikaans. His community engagement feeds and enriches his teaching of Afrikaans in the Faculty of Education.

**PROF YUSEF WAGHID** distinguished professor of Education and fellow of the Academy of Science of South Africa, has three doctorates in the fields of philosophy of education, education policy studies, and philosophy. He has 293 research publications, has supervised 19 PhD graduates and has contributed to over 30 books. He received an NRF special award as 'a campaigner for the development of research capacity at higher education institutions'.

**PROF DIRKIE SMIT**, distinguished professor of Systematic Theology, has excelled in research and innovation, teaching and learning, community interaction and academic administration. His research has influenced theological thinking globally and his expertise has impacted on the academy, faith communities and broader society. He has been honoured with the prestigious Alexander von Humboldt research award, the Andrew Murray Prize for Theological Literature; and an honorary doctorate from Umea University in Sweden.

**PROF SANDY LIEBENBERG** has made an exceptional contribution as an internationally acclaimed scholar in socioeconomic rights in the areas of housing, healthcare, food, water, social security and education. Her community interaction work spans a wide range of issues, namely dealing with public interest litigation, supporting campaigns of NGOs, and advising government on the implementation of socio-economic rights. Her work is a model of how community interaction complements and enriches research and teaching.

**PROF ANDRÉ VAN DER WALT** distinguished professor of Property Law, has held this research chair since 2002. He was one of the first academics from the social sciences and humanities to receive an NRF A rating, and has held an A1 rating since. He was also the first non-United States scholar to receive the merit award of the Association for Law, Property and Society, and has been awarded the *Tijdschrift voor Privaatrecht* visiting chair to Belgium and the Netherlands.



## MATIES BIKES

487 rented out  
8% to staff

## WOORDFEES

PROF DOROTHEA VAN ZYL  
FOUNDING DIRECTOR  
60 000 tickets sold  
25 WOW actions opening the  
world of words for learners  
16 WOW bursary holders



## UNIVERSITY MUSEUM

40 events  
17 497 visitors





## SU CHOIR

At Riga Choir Games  
World Champions in 3 categories



## NEW SU SWIMMING POOL

Olympic size



## SPORT STARS OF 2014

Ilhaam Groenewald (Chief Director: Sport), Fanie van der Merwe (Sportsman of the Year for People with Disabilities), Justine Palframan (Sportswoman of the Year), Victor Hogan (Sportsman of the Year), Jackie Wiese (former Director: Sport) and, in front, Justine Asher (Sportswoman of the Year for People with Disabilities)



## BRIGHT MINDS

33 appointed as  
distinguished professors





# ACCOUNTABLE GOVERNANCE

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.









# REPORT OF SENATE TO COUNCIL



Senate, as a statutory body, made an important contribution to the positioning of Stellenbosch University as a fully-fledged 21<sup>st</sup>-century university in the year under review. Contributions by the various committees of Senate (see page 10), namely the faculty boards, Executive Committee of Senate, Appointments Committee, Academic Planning Committee, Library Committee, Honorary Degrees Committee, Community Interaction Committee, Research Committee and the Committee of Learning and Teaching, were discussed at the four Senate meetings held during the year. Thereafter, specific recommendations were made to Council.

Matters that received attention in the Senate meetings included the recommendation of a number of new academic programmes for approval by Council, the approval of doctoral topics for research, and the recommendation of a number of policies to Council (including the amended Language Policy). A recommendation was made to Council in connection with the appointment of a new Rector and Vice-Chancellor, and teaching activities and community activities related to academia were discussed.

On the basis of limited capacity and the large number of applications that are received, all the undergraduate programmes offered by the University have been selection programmes for the past few years. In order to broaden access to the University, parallel-medium instruction (teaching is offered in both Afrikaans and English in separate classes for the same module) and interpreting (lectures are offered in Afrikaans and simultaneously interpreted into English, or vice versa) have also been introduced in a number of programmes during the past year. This method of presentation is extended continuously.

The following postgraduate programmes were approved by the Department of Higher Education and Training and accredited by the Council on Higher Education in 2014:

- MPhil in Pulmonology;
- MPhil in Cardiology;
- MSc in Human Anatomy; and
- Master's in Town and Regional Planning.

#### THE SENATE OF STELLENBOSCH UNIVERSITY CONSISTS OF:

- the Rector and Vice-Chancellor (chair);
- the three vice-rectors;

- the Chief Operating Officer;
- two members of Council (nominated by the Council);
- the Registrar (secretary);
- all the full professors of the University;
- all departmental chairs who are not full professors;
- five associate professors;
- three members of the Students' Representative Council;
- one member of the Academic Affairs Committee (AAC);
- two members of the academic staff who are not professors or associate professors;
- two members of the administrative staff;
- two members of the technical staff;
- deans and vice-deans who are not full professors; and
- the following additional persons declared by Council to be members of Senate: Chief Director: Strategic Initiatives and Human Resources; Chief Director: Finance; Chief Director: Facilities Management; Senior Director: Information Technology; Senior Director: Student Affairs; Senior Director: Institutional Research and Planning; Senior Director: Library and Information Services; Senior Director: Research; Senior Director: Postgraduate and International Office; Director: Centre for Teaching and Learning; Senior Director: Community Interaction; Senior Director: Prospective Students; Senior Director: Innovation and Business Development; and Senior Director: Learning and Teaching Enrichment.

Finally, it can rightfully be said that Senate delivered a comprehensive and expert contribution to the portfolios of Learning and Teaching, Research and Innovation and Community Interaction and Personnel in the period under review. For more details on these portfolios, see the reports of the Vice-Rector (Learning and Teaching) on page 36, the Vice-Rector (Research and Innovation) on page 41, and the Vice-Rector (Community Interaction and Personnel) on page 45. Also see how the University acknowledges excellence through the Chancellor's Medal and the Chancellor's Awards on page 66.

*L. van Huyssteen*

**Prof L van Huyssteen**  
Acting Rector en Vice-Chancellor



# REPORT OF THE INSTITUTIONAL FORUM



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

The activities of the IF consist of meetings during which our advice to Council is considered, as well as discussions between the executive committee of the IF and the Rector and his Management Team. At times the IF makes use of three task groups, namely on Diversity and Equity, on Institutional Planning and on Institutional Culture, to complete its tasks faster. Members serve voluntarily in the task group(s) of their choice. When necessary, the task groups are supplemented by *ad hoc* groups. The mandate of the task groups is to investigate as thoroughly as possible specific matters that are assigned to them. They then report back to the IF so that it can give well-considered advice to Council.

## COMPOSITION

The Statute of the University stipulates the composition of the IF – 32 members, eight from each of the following four sectors: the governance sector, the staff sector, the student sector and the community sector. The composition of each group is also prescribed.

## ACTIVITIES

The Executive Committee of the IF meets four times a year to carry out its duties. During each meeting the agenda of the next meeting is finalised. In addition to these four meetings, the IF also met with the Senate on one occasion during the year under review as part of the regulatory provisions for the appointment of a rector and vice-chancellor.

Further to this, the IF has attempted not only to focus strictly on its legally prescribed duties and responsibilities, but also to attend to other specific matters, as determined from time to time, in order to offer proactive advice to Council for consideration and further investigation.

## Proposed policies

By way of formal reports, the IF advised primarily on new policies. University policies that were at issue are:

- Policy on Mandatory Self-archiving of Research Output;
- the revision of the Language Policy of Stellenbosch University; and
- Policy in Respect of the Presentation of Short Courses.

## Commentary on policies and formal requests

The IF supports the overarching intentions of all the above-mentioned policies. In relation to the Policy on Mandatory Self-archiving of Research Output, the Forum proposed incisive amendments that compelled Council to accept the recommendation that the policy not be accepted until further consultation had taken place. After further consultation the Forum recommended that the policy be accepted with small changes. The IF sees the necessity of revising the Language Policy and accepted the proposed changes and reported this to Council.

## Appointment of the Rector and Vice-Chancellor

In accordance with the University's Rules of Procedure for the Appointment of a Rector and Vice-Rectors, the IF appointed two representatives to serve in the selection committee for the appointment of the Rector and Vice-Chancellor. The Forum furthermore also accepted a motion of condolence on the tragic death of our Rector, Prof Botman, which was sent to Council for its information.

## Commentary on other matters

The IF submitted commentary and/or requests for consideration to Council concerning various other matters. The Institutional Forum drew up its own code of conduct and submitted it to Council for its information.

**Mr Le Roux Burrows**  
Chair: Institutional Forum



# SUMMARY REPORT ON TRANSFORMATION

Systemic transformation is anchored in the University's core functions. We view such transformation as a journey and not as a destination, and believe that it is a condition for success in the 21<sup>st</sup> century. It invites various institutional participants to define jointly who we are and to accept joint responsibility for what we wish to be. It echoes in our diverse composition, institutional culture, core values, behaviour and student and staff leadership, and is embodied in our Vision 2030 and our Institutional Intent and Strategy.

The transformation of our core activities – learning and teaching, research and community interaction – is disclosed in the institution's geographical footprint; our aspirational business model; the way in which we involve students, staff and communities in our activities; our pursuit of lifelong learning; and our promotion of involved and critical citizenship. Innovative development and the sustainable use of facilities, infrastructure, and information and communication technology are regarded as important instruments for transformation that will ensure access with success and achievement in everything we take on.

We are thoroughly aware of the need to speed up and deepen transformation. Our integrated approach to transformation is reflected in the annual performance contracts entered into with academic and support service staff. A critical evaluation of what we achieved in this regard in the course of 2014 paints a picture of an institution undergoing continuous change – while we made good progress with transformation in relation to access with success, institutional language suppleness, integration, welcoming practices and student support, there still are massive challenges in relation to high-level representation and perceptions, most possibly worsened by the sudden passing of our former Rector, Prof Russel Botman. The decision to close the Centre for Inclusivity and to expand his work to an anchored model and University-wide project with appropriate objectives evoked divergent reactions. Our transformation journey can best be described as a quest to 'persuade people to pour their heart and soul into the matter', to eradicate the remnants of old-fashioned paradigms, and to make way for paradigms that will bring about true transformation for all our people. It is through this that the full wealth of diversity in people, thinking, ideas, innovation and knowledge systems can be applied in our pursuit of excellence.

In brief, we have already come far as a university, but a long road still lies ahead. It therefore gives us great

pleasure to invite you to read our 2014 Annual Report and consider it from a transformation perspective.

## TRANSFORMATION IN LEARNING AND TEACHING

The higher education environment is definitely undergoing rapid transformation. In the context of the world this is largely as a result of technological changes and students' new approaches to knowledge acquisition. Over the past few years, SU has firmly taken up a position of supporting knowledge transfer by way of technological mediation. This has already increased access to new student markets, and also helps to maintain student success. The University's programme offering is renewed on a continuous basis to remain in step with market needs and to improve quality on a consistent basis.

In the national context, the changing demographics of both the student corps and academics lead to the further transformation of higher education. Stellenbosch University has specific strategies to recruit the top students from the greater South African society, to make them feel welcome and to ensure that they graduate successfully. Two specific initiatives are the promotion of multicultural awareness and the LLL initiative (Listen, Live and Learn).

One of the most important facets of being a Matie is that students should be able to function well in multicultural environments. Multicultural awareness is promoted through the presentation of structured training opportunities in the different student communities (clusters, residences, LLL houses and PSO wards). These occasions are presented by an experienced professional consultant and other facilitators, namely staff and students who have been trained specifically for this. The training opportunities take place throughout the year.

As far as Listen, Live and Learn are concerned, this project developed in 2014 from a marginal initiative at SU to an integrating and central part of the endeavour of the Division for Student Communities to achieve the objectives of the University's Vision 2030, namely to be an innovative, inclusive and future-oriented institution. Within one year, the University doubled the capacity of the programme, tripled the staff, introduced an internship programme, increased the number of opportunities, publications, workshops and learning aids, established relationships with internal and external interested parties and set up the first functioning LLL forum. Possibly the most important contribution, however, was the completion of the new, 110% green LLL town with accommodation



for 119 students. This development, which serves as a flagship for green design, has raised the usual standard for the design of buildings in which SU students can live and learn to a whole new level. The best summary of the value of this initiative is the following comment by one of the participants on looking back at the end of the year: "The most meaningful part of my experience was the realisation that each of us struggles with challenges and that understanding the challenges of your housemates and people in general is the first step in bringing about social cohesion" (Yasine Barends, Ethics and Morality House).

#### TRANSFORMATION IN RESEARCH AND DEVELOPMENT

The University is committed to developing the next generation of academics who will be productive in the field of research and be more representative of our country's demographics. Various initiatives with a particular focus on the development of early career academic researchers contribute to our transformation imperatives.

The Mellon Early Research Career (MERC) development programme, funded by the Andrew W Mellon Foundation, supported 91 early career researchers over the past four years by formally linking each of them to an experienced research mentor and by providing additional research skills training. Of these researchers, 43% were black, coloured and Indian researchers, while 59% were female staff members. Their progress was monitored closely and it is clear that the support they received contributed greatly to their successful delivery of quantifiable research outputs.

We believe that mentorship will play an important role in the development and retention of a diverse cohort of academic staff members at the University. For this reason we are continuing our research mentorship programme in 2015, with funding provided through the DHET's Research Development Grant. From 2014 to 2017, six projects will be funded by this grant to develop black, coloured and Indian early career researchers by providing practical support.

In 2014 the Andrew W Mellon Foundation enabled the University to undertake a new Mellon Early Research Career (MERC 2) development programme with another three-year grant. Five temporary academic posts were established in four faculties and five young academics – one coloured female, two black male, one coloured male and one white female researcher – were selected to the posts. Four of these candidates are currently registered for their doctoral studies, while one has just graduated with his doctoral degree. They will undergo further development within their academic

departments for a period of three years via the Mellon award, with an undertaking from their faculties to include them in the academic staff at the end of the three-year period. The support includes expert assistance from a senior academic in the preparation of research funding proposals, research publications, NRF rating applications and research supervision, and limited funding for international conferences and research visits.

The University is participating actively in national funding programmes that can strengthen its focus on the transformation and rejuvenation of its academic staff cohort. The Research Career Award Fellowship Programme of the National Research Foundations provides an opportunity for young academic staff with postdoctoral experience to enter a five-year employment contract with a university, at the end of which they may be taken up as permanent staff. Twelve applicants out of 24 were successful and have now commenced their initial five-year tenure at Stellenbosch University. Of these fellows, 42% are from the designated groups and 85% are female candidates.

In an ongoing focus on postdoctoral research fellows, the University allocated internal funds for 32 postdoctoral fellowships reserved for South African citizens only. Of the fellows funded in 2013 and 2014, 56% of the candidates were from the designated groups and 53% were women.

In addition, the University supports early career researchers participating in the NRF's Thuthuka funding programme. The programme requires an annual contribution of about 30% from the participating institutions. In 2014 there were 46 Thuthuka grant holders at the University, of which about 30% were from the designated groups.

**Prof L van Huyssteen**  
Acting Rector and Vice-Chancellor

**Mr GM Steyn**  
Chair of the University Council





# REPORT ON TENDERING AND PURCHASING PROCEDURES

The Purchasing and Provision Services Section is responsible for the development and implementation of a centralised purchasing policy and procedure based on a fair, equitable, impartial, transparent and competitive cost-effective foundation that ethically offers all service providers, representative of all communities, without discrimination on the grounds of race, gender or faith, the opportunity to conduct business with SU.

Within this framework and policy there are purchasing limits and these limits determine when the purchasing of services or products must be put out on tender. Furthermore, a distinction is made between institutional, strategic and capital tenders and tenders that do not have an effect on the operation of SU as a whole, such as the purchasing of research equipment. Each of these types of purchases is subject to its own rules regarding the approvals needed before a tender may be put out and awarded. These rules are contained in SU's Purchasing and Tender Policy and SU's Rules with regard to Delegation of Authority and Responsibilities. Before each tender evaluation, the members of the Tender Committee must complete a declaration of interests form. If any member

has a conflicting interest, they do not take part in the evaluation.

The following institutional and strategic tenders for purchasing of services were awarded during 2014: Cleaning Services for Stellenbosch Campus and Tygerberg Campus, and the Management of SU's Banking Services.

Both tenders were advertised in newspapers. Before the tender processes were started, the evaluation criteria, the weight of each evaluation criterion and the members of the Tender Committee were all approved by the Rector's Management Team. After the evaluation processes, the evaluation reports of the different Tender Committees were submitted to the Finance Committee for recommendation to the Rector's Management Team for approval. In both cases the Rector's Management Team approved the recommendation of the Finance Committee.

In the case of the tender for Cleaning Services for Stellenbosch Campus and Tygerberg Campus, the members of the committee were:

NAME	POSITION
Mr D Prata	Business Management: Facilities Management
Mr JV Villet	Facilities Management
Mr MJ Brooks	Faculty Manager: Faculty of Economic and Management Sciences
Mr PJ Janse van Rensburg	Faculty Manager: Faculty of Arts and Social Sciences
Ms M van den Worm	Faculty Manager: Faculty of Science
Mr VS D'Aguanno	Faculty Manager: Faculty of Engineering
Mr MJ Freeborough	Faculty Manager: Faculty of AgriSciences
Mr ESA Mouton	Director Business Management: Faculty of Medicine and Health Sciences
Mr H Swanepoel	Director: Commercial Services
Ms L Main	Library and Information Service
Ms M Malan	Senior Accountant: Finance
Ms F Majiet	Director: Financial Services
Dr JA Slamet	Senior Director: Community Interaction
Ms T Ferndale	Student Representative



In the case of the tender for Banking Services, the members of the committee were:

NAME	POSITION
Mr HAJ Lombard	Chief Director: Finance
Ms A Murray	Director: Financial Planning and Asset Management (acting)
Mr W Nolte	Manager: Human Resources Management Information Systems
Ms F Majiet	Director: Financial Services
Mr R Pina	Director: Information Technology
Ms G Cronjé	Deputy Director: Student Fees and Debtors
Mr MJ Brooks	Faculty Manager: Faculty of Economic and Management Sciences
Mr PA Wever	Manager: Vehicle Fleet
Ms A de Villiers	Deputy Director: Funds and Asset Management (acting)

In 2014, a number of capital projects were also put out on tender. The largest of these was the erection of a new building for Information Technology. The required tenders were requested from the approved providers of SU in accordance with the Purchasing and Tender Policy. Before the tender process was started and after completion of the tender process the required approvals were obtained in terms of the Purchasing and Tender Policy and the SU's Rules with regard to Delegation of Authority and Responsibilities.

In the case of the tender for the erection of the building for Information Technology, the members of the committee were:

NAME	POSITION
Ms M Nell	Project Manager
Mr AC Kriel	Manager: Capital Projects
Mr SW Opperman	Director: Planning and Development
Ms G Jacobs	Manager: Facilities Planning
Ms M Malan	Senior Accountant: Finance
Mr C Munnik	Chief Director: Facilities Manager

The background is a solid gold color. Overlaid on this is a complex, abstract geometric pattern. It consists of numerous thin, light-colored lines that connect various points. Some of these points are small dots, while others are larger, semi-transparent circles. The pattern is distributed across the entire page, with some areas being more dense than others. In the top left corner, there is a small, white, stylized icon that resembles a bird or a wing. In the bottom left corner, the number '78' is visible, partially obscured by the geometric pattern.

# FINANCIAL REPORT



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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.

## THE UNIVERSITY COUNCIL AND SUBCOMMITTEES OF THE COUNCIL

The University Council (hereafter referred to as the 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 Chairperson of the Council is separate from the role of the Rector and Vice-Chancellor of the University. The Chairperson of the Council was re-elected during 2013 to serve a further term as Chairperson of the Council from 2 April 2014 to 1 April 2018. Business allocated to the Council for consideration and decisionmaking is set out in the Statute of the University either by established practices or in terms of the Higher Education Act, 1997. The Council is accountable to its various interest groups. The Council ensures that the University is managed in a responsible and transparent manner and is committed to sound management principles. The Council, which meets at least four times a year, consists of 30 members, with 29 positions having been filled. The Council is comprised of five executive Council members, six employees of the University and 19 independent non-executive Council members, four of whom appointed by government and two of whom appointed by the students. The names of the members, their qualifications and terms of office appear on page 11–12.

The Council officially met six times during the reporting year. The average Council meeting rate of attendance by members was 93% for the reporting year under review. The lowest rate of attendance was 86%.

The Council has created structures to ensure that its obligations to all interest groups are duly met at all times. The following committees of the Council play a direct role in the effective functioning of the University: the Executive Committee of the Council; the Human Resources Committee of the Council; the Remuneration Committee of the Council; the Audit and Risk Committee of the Council; the Social and Business Ethics Committee of the Council and the Investment Committee of the Council. All the committees are formally constituted with written mandates and are mainly comprised of members of the 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.

The **Executive Committee of the Council**, which meets at least five times a year, within its delegated powers makes decisions on behalf of the Council, deals with business

on behalf of the Council, advises the Council on policy decisions and in the period between Council meetings liaises with senior management on matters impacting the functions of the Council. The Executive Committee of the Council consists of six members, who are also members of the Council. Currently six positions are filled. The committee also fulfils a monitoring and control function on behalf of the Council in that it makes recommendations on the University's transformation targets and monitors implementation, makes recommendations on the annual operating and capital budgets, and monitors progress in terms of the approved budgets and results. The committee is also responsible for ensuring that the University is financially sound and remains a going concern. This committee met six times during the reporting year. The committee has no matters pending. Pending matters on the agendas of other committees reporting to the Council through the Executive Committee will ultimately be included on its agenda and handled at that stage.

The Executive Committee rate of attendance for 2014 averaged 94%.

The **Audit and Risk Committee of the Council**, whose Chairperson and members are also members of the Council or are external individuals who have the required financial expertise to assist the Committee in the efficient execution of its duties, has been functioning since 31 October 2005 and consists of six members, as set out on pages 11 and 12. Currently five positions are filled. The committee meets at least three times a year and the meetings are attended by the internal and external auditors and the University's senior management. The unrestricted access of the internal and external auditors of the University to the Audit and Risk Committee ensures their independence. The Audit and Risk Committee functions in terms of a written Council mandate and is accountable to the Council for the following:

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

The Audit and Risk Committee's regulations and matrix were updated and approved by the Council during 2014.

The **Human Resources Committee of the Council** makes recommendations to the Council on matters concerning general staff policy, service contracts, pension funds, bonuses, performance appraisal frameworks, appointments and promotion of members of senior management, etc. The committee consists of five members, as set out on pages 11 and 12. Currently all five positions are filled.



The **Remuneration Committee of the Council** is comprised of the Chairman of the Council (not as chairman of the Remuneration Committee), two Council members who are not employees of the University, the Rector and Vice-Chancellor and two ex officio members (without voting rights), namely the Chief Director: Strategic Initiatives and Human Resources, and the Director: Remuneration, Benefits and Administration. The Remuneration Committee is responsible for considering matters concerning staff remuneration and fringe benefits and makes recommendations to the Council in this regard.

The **Social and Business Ethics Committee (SBC)** of the Council was formed at the end of 2014. 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 SBC is therefore responsible for overseeing how ethical the University conducts its business. The committee has overall responsibility for establishing corporate ethical values, as well as business ethics codes and policies, and to ensure that the principles of ethical business practice are adhered to. The committee is comprised of five members, namely two non-executive Council members, two representatives

from University management and one external member. At least one of the members must also be a member of the Audit and Risk Committee. The Chairperson of the committee, who must be a non-executive Council member, is appointed by the Council. The committee will meet at least three times a year.

### REPORTING UNDER KING III

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

The University subscribes to the philosophy of leadership, sustainability and corporate citizenship as set out in King III. King III requires an explanation of areas of non-compliance by business entities who declare that they comply with the principles. As at 31 December 2014 the University did not comply with the following:

AREA	EXPLANATION
Statute of the University	Where the amended Statute, which complies with the Higher Education Act, does not meet the requirements of King III, compensating measures will be put in place for observing the purpose of the guidelines.
Integrated reporting	The University aims at issuing a fully integrated report for 2015, which complies with both King III and the Global Reporting Initiative Framework, by 30 June 2016.
Succession planning and talent	Given that Council members are appointed by various interest groups based on specific expertise, talent management is not possible. Succession planning is done by the respective interest groups responsible for the appointment of their representatives in the Council.
Council committees	King III requires the various Council committees to review their regulations to perform a self-assessment annually. Taking into consideration that some of the committees by nature require only biannual meetings, which makes the annual review of these regulations impractical, the regulations are reviewed and adjusted as and when necessary.
Remuneration disclosure	Remuneration disclosure meets the requirements as set by the Regulations for Reporting by Higher Education Institutions, and King III requirements are currently not being met.
Training register for Audit and Risk Committee members	Given the expertise of the members and the positions they hold, additional training for Audit and Risk Committee members is not deemed necessary. Members will be required to confirm their continuous professional training and development on a regular basis.
Combined audit insurance framework and reporting	A combined audit insurance framework was developed by Management and the Internal Auditors and will be considered for approval by the Audit and Risk Committee of the Council during 2015.
Policy on non-audit services	The policy for non-audit services will be considered for approval by the Audit and Risk Committee of the Council during 2015.
Ensuring compliance with legislation	The development and implementation of a compliance policy is dependent on funding and capacity and is also closely linked to the new reporting requirements in terms of the Regulations for Reporting by Higher Education Institutions, as well as the development of a risk management policy and framework. The responsibility for compliance is done on operational level in line with the embedded risk management model.





## 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 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 the Council on 19 May 2003. The University also has an Assurance and Promotion of Ethically Accountable Research Policy. This policy is applied by three ethics committees (one each for research in relation to human participants, the care and use of animals, and environmental and biosafety) to ensure that researchers act in accordance with laid-down ethical norms in every relationship with subjects and objects during their scientific research. The ethical norms set out in the 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.

## SUSTAINABILITY

The University has clearly stated its commitment to sustainability. It is entrenched in the University's core functions of learning and teaching, research and community interaction, as required by the Integrated Management of Sustainability Policy, adopted by the University Council in November 2010. In addition, within the Millennium Development Goals the University focuses on sustainability by setting as goal the promotion of a sustainable environment and a competitive industry. Sustainability is executed through various academic

initiatives such as the Centre of Excellence for Invasion Biology; the Centre for Transdisciplinarity, Sustainability, Assessment, Modelling and Analysis (TsamaHub); the Centre for Renewable and Sustainable Energy Studies and the Sustainability Institute. Various support service environments are also involved in sustainability actions, with especially Facilities Management and Information Technology making a large contribution to decrease the University's ecological footprint. In the interim various work groups, focusing on sustainability themes such as energy, water and landscaping, have also been established for finding practical solutions to the challenges that the University and its environment are facing.

## INFORMATION TECHNOLOGY

Information and Communication Technology (ICT) Management helped establish improved control mechanisms over the past few years. Examples of this include the formation of various committees for liaising with key stakeholders on learning and teaching, and research, as well as infrastructure. The ICT function is currently undergoing an extensive self- and peer assessment process. Any gaps in respect of management and/or control highlighted during this process will be addressed. Finally, an extensive set of information-related policies and regulations was recently developed and reviewed and is being submitted for approval. Matters on ICT control are currently placed on the Council's agenda by way of the Audit and Risk Committee's accountability for risk management.

## COMMUNITY INTERACTION

Community interaction (CI) is recognised as a core function at Stellenbosch University and is deliberately integrated with the other core functions of learning and teaching, and research. The institutional infrastructure for CI at the University includes a CI policy; a Senate Committee in charge of CI matters; a central CI support service department; an electronic institutional data base of CI projects; 12 selected CI flagship projects supported centrally, a Rector's Award for CI Excellence and a Vice-Rector responsible for CI and Staff.

CI and the core function of learning and teaching are integrated in the form of service learning, work-integrated learning and other types of experiential learning. Currently there are more than 30 service learning modules spread over all 10 faculties of the University. In addition, the public also gets access to the University's knowledge sources through an extensive offering of short courses tailor-made for specific objectives and target groups. Voluntary service at local community organisations by students in university residences and student associations forms part of the co-curriculum, helping students to develop SU's graduate qualities. On every day on the university calendar



about 1 000 student volunteers are rendering a service at partner organisations of the University. The University also runs a staff volunteer programme as part of its Wellness Programme. Most departments involved formed longer-term partnerships with community organisations.

CI is also integrated with research in the form of community-based research, participating research methodologies, contract research and the targeting of specific social challenges. At the University knowledge is regarded, especially within the Institutional Intent and Strategy framework, as a critical tool in the search for solutions to serious social problems. The knowledge model of the University is widened and deepened by this approach, and it enhances the social impact of the University.

The University therefore is an institution that has built relationships with a large variety of partners at various levels in line with its Institutional Intent and Strategy. Knowledge partnerships form an integral part of networking with external parties. In this regard the University has memoranda of understanding with municipalities, government departments and civil movements. The University is also a member of the Cape Higher Education Consortium (CHEC), the South African Higher Education Community Engagement Forum (SAHECEF) and the international Talloires Network, all network originations promoting the social impact of universities.

## HUMAN RESOURCE MANAGEMENT

For the University the applicable management of human resources is a core and integral component of corporate governance. This requires ongoing cognisance, in a balanced and dialectical manner, of the requirements for the University in a quick-changing political, economic, social and demographic environment. Furthermore, it also includes the proactive, integrated and appropriate handling of these environmental stimuli by the University. As a leading employer the University inevitably focuses not only on minimum compliance with labour legislation, but rather the provision of an attractive and competitive value proposition for employees. During 2014 close attention was paid to these aspects. Staff wellbeing is being regarded as a priority at the University, and staff and other resources have been allocated to attend to this important matter and to develop this further during the year.

A further human resource priority is appropriate talent management to ensure that the University has the right staff to function successfully in a complex and fast-changing environment at all times, now and in the future. In this regard emphasis was placed on workforce and succession planning, coaching and mentoring, assessment centres and individualised career planning. At the same

time optimising the University's performance management system is an ongoing focus, especially to make this accessible to and attractive for the workforce.

A great deal of attention was also given to the various policy frameworks for regulating the dynamic interaction of employees with the University. Naturally these policy frameworks are comprehensive, but are essential to ensure that the University has the necessary policies and procedures in place to offer both the employer and employee sufficient procedural and statutory protection. These policies and procedures are accessible to both employer and employee and include access to an independent ombudsperson should staff members or students be of the opinion that they are being treated unfairly.

A further manifestation of the University's commitment to sound corporate governance, which is not only directed at compliance with labour laws, is the treatment of essential restructuring processes. As far as labour law is concerned, ongoing attention is given to the principles of correctness, necessity and equity as well as the transparent treatment of all affected staff, with the necessary participation of such staff and employee structures.

During 2014 line management received ongoing training to enable them to apply policies and procedures affecting staff appropriately and correctly in the respective university environments. This has been strengthened further by the development and successful implementation of assessment centres, enabling the University to offer focused development plans for key employees. Success has been achieved in this regard, evident from the ethical and procedurally correct manner in which line management handles complex staff matters.

The University endorses the principles of a participative and transparent management style. Three trade unions, namely the National Educational Health and Allied Workers Union (NEHAWU), Solidarity, and the South African Parastatal and Tertiary Institutions Union (SAPTU), are to a varying degree active at the University's campuses and enjoy organisational rights. Staff associations such as the Lecturers' Association, the Administrative Staff Association, the Technical Association and the Employees' Association together with the Women's Forum and the recognised trade unions are consulted on a wide variety of human resource matters. The staff associations are also represented in various decision-making structures such as the Healthcare Committee, the Board of Trustees of the US Retirement Fund and the Umbrella Employment Equity Forum.

For the University employment equity is not negotiable, which is also evident from the supervisory structures



established for this purpose. All employment equity matters are monitored by the Umbrella Employment Equity Forum. People with Disabilities and Sexual Harassment Policies have been implemented and great care is taken to ensure the balanced composition of all selection panels. Performance management with personal development plans and individual employment contracts are required for all permanent staff.

### STUDENT PARTICIPATION

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

At a macro level students have a seat in the highest formal structures of authority, such as the Students' Representative Council (SRC) representation in the Council, the Senate and the Institutional Forum. Students are also members of the faculty boards, the Student Fees Committee, the Honorary Degrees Committee, the Community Interaction Committee and the selection committees for the appointment of the Rector and Vice-Rectors. Furthermore, students serve in various important working committees, such as the Bursaries and Loans Committee, the Central Disciplinary Committee, the Quality Committee, the Library Committee and the Student Accommodation Committee. Student representatives are appointed from the faculties to form the Academic Affairs Council (AAC), the Chairman and Vice-Chairman of which perform various representative functions in the area of the Vice-Rector (Learning and Teaching). They serve, among others, on the Academic Planning Committee and the Learning and Teaching Committee. Various advisory forums – for instance for students with

special learning needs or HIV/Aids or who are harassed or suffer from substance abuse – also avail themselves of students' skills and knowledge. The Welcoming and Monitoring Work Group, who manages the welcoming of newcomer students, consists of various student representatives and all but one of the monitors are from student ranks. The Stellenbosch University Advisory Forum for Student Support Services also includes student representatives.

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

The Chairpersons of the SRC and the AAC have bimonthly fixed meetings with the Vice-Rector (Learning and Teaching), in addition to ad hoc meetings arranged as and when required. Furthermore, the Executive Committee of the SRC has a monthly meeting with the Management Team of the Rector for discussing general management matters.

Compliance with corporate management principles is evaluated on a continuous basis. Meeting the requirements of King III is an ongoing process, with 30 June 2016 set as target date.

**Mr GM Steyn**  
Chairperson of the University Council

**Prof L van Huyssteen**  
Chief Operating Officer

**Prof DP du Plessis**  
Chairperson of the Audit and Risk Committee





# 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 operated as a going concern, and consequently the annual financial statements have been prepared on this basis.

It is the responsibility of the external auditor to express an independent opinion on the fair presentation of the consolidated annual financial statements, based on their audit. They had unrestricted access to all financial records and related data, including minutes of meetings of the Council and all 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 88 to 117 were approved by the Council and were signed by:

**Mr GM Steyn**  
Chairperson of the University Council

**Prof L van Huyssteen**  
Chief Operating Officer

**Prof DP du Plessis**  
Chairperson of the Audit and Risk Committee

4 MAY 2015



# INDEPENDENT AUDITOR'S REPORT TO THE COUNCIL OF STELLENBOSCH UNIVERSITY

We have audited the consolidated financial statements of Stellenbosch University set out on pages 88 to 117, which comprise the consolidated statement of financial position as at 31 December 2014 and the consolidated income statement, statements of comprehensive income, changes in funds and cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

## Council's responsibility for the financial statements

The Council of Stellenbosch University is responsible for the preparation and fair presentation of these 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.

## Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by

management, as well as evaluating the overall presentation of the financial statements.

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

## Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Stellenbosch University as at 31 December 2014, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Higher Education Act of South Africa.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

## Predetermined objectives

We performed procedures to obtain evidence about the reliability of the reported performance information in the column "SU in 2014" in Table 2 on the "Ministerial enrolment and effectiveness targets for 2019 and



Stellenbosch University (SU) performance, 2012-2014" set out on page 21 of the annual report for the year ended 31 December 2014.

We evaluated the reported performance information against the overall criteria reliability.

We assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

We did not raise any material findings on the reliability of the reported performance information for the selected objectives.

#### Compliance with legislation

We performed procedures to obtain evidence that Stellenbosch University had complied with legislation regarding financial matters, financial management and other related matters.

We did not identify any instances of material non-compliance with specific matters in the Higher Education Act of South Africa.

#### Internal control

We considered internal control relevant to our audit of the financial statements, the information in the column "SU in 2014" in Table 2 on page 21 and compliance with legislation. We did not identify any significant deficiencies in internal control.

#### OTHER REPORTS

##### Investigations

An investigation was conducted by an independent

consulting firm on request of Stellenbosch University. The investigation was initiated based on the allegation of possible irregularities committed by employees in the student fees department. The investigation has been completed during the year under review.

#### Audit-related services and special audits

207 Agreed-upon procedures engagements reports have been issued during the year under review, covering periods ranging from 1 April 2011 to 31 March 2015. Two reports were in progress at the date of signing of this report covering periods ranging from 1 January 2015 to 31 March 2015.

36 Donor funding reports have been issued during the year under review, covering periods ranging from 1 January 2010 to 31 December 2014. Six reports were in progress at the date of signing of this report covering periods ranging from 1 January 2011 to 31 December 2014.

PricewaterhouseCoopers Inc.

PricewaterhouseCoopers Inc.  
Director: D Adriaans  
Registered Auditor  
Stellenbosch  
24 June 2015







# ACCOUNTING POLICIES

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

## 1. BASIS OF PREPARATION

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

In the preparation of these consolidated annual financial statements in accordance with IFRS a number of critical accounting estimates are relied upon. 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 2014 and that the University has applied for the first time have been published. The amendments to and interpretations of the standards are as follows:

IFRS 10, IFRS 12 and IAS 27	– Consolidated financial statements and Investment entities (effective from 1 January 2014)
IAS 32 (Amendment)	– Financial Instruments: Presentation (effective from 1 January 2014)
IAS 36 (Amendment)	– Impairment of assets (effective from 1 January 2014)
IAS 39 (Amendment)	– Novation of derivatives (effective from 1 January 2014)
IFRIC 21	– Accounting for levies (effective from 1 January 2014)

### Standards, interpretations and amendments to published standards not yet effective

Certain new standards, amendments and interpretations relating to existing standards that have become compulsory for accounting periods commencing on or after 1 January 2015 or later and that the University has not yet applied have been published. The University will apply these amendments in the applicable period, if relevant. The amendments to and interpretations of the standards are as follows:

IFRS 9	– Financial Instruments (2009) (effective from 1 January 2018)
IFRS 9	– Financial Instruments (2010) (effective from 1 January 2018)
IFRS 9 (Amendment)	– Financial Instruments (2011) (effective from 1 January 2018)
IFRS 14	– Regulatory deferral accounts (effective from 1 January 2016)
IAS 19 (Amendment)	– Defined benefit plan (effective from 1 July 2014)
IFRS 11 (Amendment)	– 'Joint arrangements' on acquisition of an interest in a joint operation (effective from 1 January 2016)
IAS 16 and IAS 38 (Amendment)	– Property, plant and equipment and Intangible assets (effective from 1 January 2016)
IFRS 15	– Revenue from contracts with customers (effective from 1 January 2017)

Management is of the opinion that amendments to the above standards, amendments and interpretations will not have a material impact on the consolidated annual financial statements of the University in the following year.



## 2. BASIS OF CONSOLIDATION

### Subsidiaries

All entities in which the University, directly or indirectly, has an interest of more than half of the voting rights, or otherwise is able to exercise control over activities, are included in the consolidated annual financial statements. The purchase method is used to bring the acquisition of subsidiaries to book. The cost of an acquisition is measured as the fair value of assets transferred and liabilities assumed at the date of the transaction, including any transaction costs. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at fair value.

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

SU 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 acquiree's identifiable net assets.

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 EQUIPMENT

Land and buildings mainly consist of plots, 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. The University has applied the IFRS 1 exemption in terms of which the fair market value of buildings at the date of conversion (1 January 2004) is the deemed cost.

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



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

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 2014 %	Depreciation 2014 %	Residual 2013 %	Depreciation 2013 %
Land	100	–	100	–
Buildings	–	1,3–20,0	–	1,3–20,0
Computer equipment	–	33,3	–	33,3
Other	0–40	5–25	0–40	5–25
Library books	–	100	–	100

The useful life of property, books and equipment 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. Intangible assets include only computer software licences.

## 6. FINANCIAL INSTRUMENTS

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

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

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

### Investments available for sale

Investments are classified as 'available for sale' and are shown at fair value by using relevant valuation methods. Investments are included in non-current assets, unless the University intends to dispose of the investment within 12 months from year-end. Purchases and sales of investments





are recognised at the date of trade, i.e. the date on which the University commits itself to the purchase and sale. Changes in fair values are shown in the statement of comprehensive income. The difference between the net 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.

A distinction is made between changes in value resulting from exchange rate changes and fair-value changes in instruments denominated in foreign currency and classified as 'available for sale'. Exchange rate gains and losses are recognised in the consolidated income statement. Movements in the fair values of these investments are recognised in the statement of comprehensive income.

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

The University 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 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 and short-term debt instruments

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

### Interest-bearing borrowings

Borrowings are initially recognised at fair value, taking

into account any transaction costs incurred. After initial recognition borrowings are carried at amortised cost. Differences between the initially recognised amount and the redemption amount are recognised in the consolidated income statement over the term of the 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

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.

## 11. REVENUE RECOGNITION

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

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

Central government 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 available 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, i.e. on the last day for registration in respect of listed shares, and when declared in the case of unlisted shares.
- **Rental income** – receipts in respect of operating leases are recognised in the consolidated income statement on a straight-line basis over the period of the lease.
- **Accidental sales and services** – are recognised in the period in which they accrue.

### 12. LEASES

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

The University leases property and equipment. Lease agreements where the University, as lessee, receives all the significant risks and benefits of ownership, are classified as finance leases. Leases are capitalised at the beginning of the lease term at the lower of the fair value of the leased property and the present value of the minimum lease payments. Each lease payment has a liability and finance charge element and is apportioned accordingly. The corresponding lease liability, net of finance charges, is recognised in the 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. INVESTMENT PROPERTIES

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

Investment properties are deemed long-term investments and are carried at fair value determined annually by external sworn valuers. Investment properties are not

depreciated. Any change in value is recognised directly in the consolidated income statement.

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

### 14. PROVISIONS

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

### 15. STAFF BENEFITS

#### 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 1 June 2002. All employees are required to participate in the group life insurance scheme. The expected costs of these benefits are recognised over the period of employment. The liability in respect of 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.

#### 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.

### 16. DEFERRED TAXATION

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



# CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2014

	NOTES	2014 R000	2013 R000
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>		11 191 890	10 468 518
Property, books and equipment	4	4 343 353	4 151 352
Intangible assets	5	2 144	406
Long-term investments	6	6 630 731	6 066 554
Investment properties	7	29 270	69 960
Investment in associate companies	8	5 003	13 783
Long-term portion of trade and other receivables	9	172 196	166 463
Operating lease asset	12	9 192	-
<b>CURRENT ASSETS</b>		808 313	508 849
Inventories	11	4 331	3 131
Trade and other receivables	9	242 897	190 828
Short-term portion of operating lease asset	12	4 505	-
Cash and cash equivalents	25	556 579	314 891
<b>TOTAL ASSETS</b>		<b>12 000 203</b>	<b>10 977 367</b>
<b>FUNDS AND LIABILITIES</b>			
<b>AVAILABLE FUNDS</b>		10 635 988	9 638 502
Unrestricted funds	2	1 033 428	428 215
Restricted funds	2	5 825 387	4 984 974
Fair-value reserve	2	1 220 213	1 686 039
Property revaluation reserve	2	8 079 029	7 099 228
Non-controlling interests	2	2 538 731	2 538 731
<b>NON-CURRENT LIABILITIES</b>		18 229	544
Interest-bearing borrowings	3	657 570	581 427
Staff benefits	27	110 835	85 671
<b>CURRENT LIABILITIES</b>		546 735	495 756
Trade and other payables	13	706 645	757 438
Deferred taxation	10	704 899	739 387
Short-term portion of interest-bearing borrowings	3	275	680
Short-term portion of operating lease liability	12	1 471	6 769
<b>TOTAL FUNDS AND LIABILITIES</b>		<b>12 000 203</b>	<b>10 977 367</b>





# CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2014

	Notes	Educational and general Unrestricted R000	Educational and general Restricted R000	Educational and general Total R000	Student and staff accommodation R000	2014 Total R000	2013 Total R000
<b>TOTAL INCOME</b>		<b>2 684 231</b>	<b>2 444 708</b>	<b>5 128 939</b>	<b>261 613</b>	<b>5 390 552</b>	<b>4 064 086</b>
<b>RECURRING ITEMS</b>							
Government grants		1 144 147	408 136	1 552 284	–	1 552 284	1 355 355
Student, accommodation and other fees		683 588	135 164	818 751	255 544	1 074 296	986 093
Private donations, allocations and contracts		73 574	1 251 396	1 324 970	–	1 324 970	1 090 223
Sales of services and products		262	192 700	192 962	–	192 962	78 782
Subtotal		1 901 571	1 987 396	3 888 967	255 544	4 144 511	3 510 454
Interest and dividends earned	19	109 723	173 619	283 342	6 069	289 411	237 099
Profit on disposal of property, books and equipment		–	4 519	4 519	–	4 519	3 819
Realised profit on disposal of investments	20	672 829	273 990	946 819	–	946 819	303 423
Equity profit in associate companies	8	–	1 512	1 512	–	1 512	3 372
Foreign exchange gain		108	3 671	3 779	–	3 779	5 919
		2 684 231	2 444 708	5 128 939	261 613	5 390 552	4 064 086
<b>TOTAL EXPENDITURE</b>		<b>1 575 496</b>	<b>2 112 805</b>	<b>3 688 301</b>	<b>215 320</b>	<b>3 903 621</b>	<b>3 535 670</b>
<b>RECURRING ITEMS</b>							
Staff costs	15	1 102 363	600 283	1 702 646	27 025	1 729 671	1 601 892
Academic professional		585 553	188 839	774 393	–	774 393	721 237
Other		516 810	411 443	928 253	27 025	955 278	880 655
Other operating expenditure	17	392 432	1 343 533	1 735 965	172 824	1 908 789	1 699 275
Depreciation and amortisation	17	79 760	156 482	236 242	5 142	241 384	221 964
Subtotal		1 574 555	2 100 298	3 674 853	204 991	3 879 844	3 523 133
Loss on disposal of property, books and equipment		941	–	941	–	941	–
Finance charges		–	12 508	12 508	10 329	22 837	12 538
		1 575 496	2 112 805	3 688 301	215 320	3 903 621	3 535 671
<b>APPORTIONMENT TO/ (FROM) RESERVES</b>							
		–	22 380	22 380	(22 380)	–	–
<b>TRANSFER (FROM)/TO RESERVES</b>							
		(678 536)	702 449	23 913	(23 913)	–	–
		(678 536)	724 829	46 293	(46 293)	–	–
<b>SURPLUS FOR THE YEAR</b>		<b>430 199</b>	<b>1 056 732</b>	<b>1 486 931</b>	<b>–</b>	<b>1 486 931</b>	<b>528 415</b>
Attributable to holder		430 199	1 044 652	1 474 851	–	1 474 852	528 107
Attributable to non-controlling interests		–	12 079	12 079	–	12 079	309
<b>SURPLUS FOR THE YEAR</b>		<b>430 199</b>	<b>1 056 732</b>	<b>1 486 931</b>	<b>–</b>	<b>1 486 931</b>	<b>528 415</b>



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

	Educational and general	Student and staff accommodation	Subsidiary companies	Loan funds	Endowment funds	Fixed-asset funds	Non- controlling interests	Total
	R000	R000	R000	R000	R000	R000	R000	R000
<b>31 DECEMBER 2013</b>								
Surplus for the year	528 107	-	-	-	-	-	309	528 414
<b>OTHER COMPREHENSIVE INCOME</b>								
Fair-value reserve								
- Realisation to income statement	(80 962)	(5 681)	-	-	(201 054)	(15 726)	-	(303 423)
- Adjustment for the year	274 928	19 563	(484)	-	712 595	54 488	-	1 061 090
Actuarial profit for the year	8 052	-	-	-	-	-	-	8 052
Apportionment (from)/ to reserves	(318 730)	45 548	1 650	(22 924)	162 628	131 828	-	-
Transfers (from)/to reserves	(67 485)	(32 355)	-	22 538	(32 338)	109 640	-	-
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>343 909</b>	<b>27 075</b>	<b>1 166</b>	<b>(386)</b>	<b>641 830</b>	<b>280 230</b>	<b>309</b>	<b>1 294 133</b>
<b>31 DECEMBER 2014</b>								
Surplus for the year	1 474 852	-	-	-	-	-	12 079	1 486 930
<b>OTHER COMPREHENSIVE INCOME</b>								
Fair-value reserve								
- Realisation to income statement	(255 153)	(20 642)	-	-	(613 494)	(57 530)	-	(946 819)
- Adjustment for the year	133 966	15 665	484	-	286 626	44 252	-	480 993
Actuarial loss for the year	(29 769)	-	-	-	-	-	-	(29 769)
Apportionment (from)/ to reserves	(658 813)	51 773	(8 770)	11 587	638 806	(34 030)	(546)	-
Transfers (from)/to reserves	(111 835)	(23 913)	-	32 103	(97 064)	200 709	-	-
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>553 247</b>	<b>22 883</b>	<b>(8 286)</b>	<b>43 690</b>	<b>214 875</b>	<b>153 392</b>	<b>11 533</b>	<b>991 335</b>



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

	Educational and general	Student and staff accommodation	Subsidiary companies	Loan funds	Endowment funds	Fixed-asset funds	Non- controlling interests	Total
	R000	R000	R000	R000	R000	R000	R000	R000
<b>BALANCE AT 1 JANUARY 2013</b>	2 174 067	97 411	2 994	241 852	2 036 486	3 791 324	235	8 344 369
Surplus for the year	528 106	-	-	-	-	-	309	528 414
Other comprehensive income for the year	(184 197)	27 075	1 166	(386)	641 830	280 230	-	765 719
<b>BALANCE AT 31 DECEMBER 2013</b>	<b>2 517 977</b>	<b>124 486</b>	<b>4 160</b>	<b>241 466</b>	<b>2 678 316</b>	<b>4 071 554</b>	<b>544</b>	<b>9 638 502</b>
<b>BALANCE AT 1 JANUARY 2014</b>	<b>2 517 977</b>	<b>124 486</b>	<b>4 160</b>	<b>241 466</b>	<b>2 678 316</b>	<b>4 071 554</b>	<b>544</b>	<b>9 638 502</b>
Surplus for the year	1 474 852	-	-	-	-	-	12 079	1 486 931
Acquisition of interest in subsidiary	-	-	-	-	-	-	6 152	6 152
Other comprehensive income for the year	(921 605)	22 883	(8 286)	43 690	214 875	153 392	(546)	(495 598)
<b>BALANCE AT 31 DECEMBER 2014</b>	<b>3 071 224</b>	<b>147 369</b>	<b>(4 126)</b>	<b>285 156</b>	<b>2 893 191</b>	<b>4 224 946</b>	<b>18 229</b>	<b>10 635 988</b>





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

	NOTES	2014 R000	2013 R000
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Cash received from government grants		1 552 284	1 460 741
Cash received from student, accommodation and other fees		1 053 520	1 023 591
Cash received from private donations, grants and contracts		1 324 970	1 046 147
Cash received from sale of services and products		147 357	81 551
Cash paid for staff costs		(1 699 422)	(1 518 353)
Cash paid for inventories and services		(2 004 394)	(1 609 426)
Cash generated by operations	24	374 315	484 250
Plus: Interest received	21	197 983	168 426
Dividends received	22	85 769	81 599
Less: Interest paid	23	(23 042)	(12 708)
Net cash inflow from operating activities		635 025	721 568
<b>CASH FLOW FROM INVESTMENT ACTIVITIES</b>		(388 204)	(702 045)
Addition to investments		(960 302)	(358 014)
Realised surpluses on investments		947 328	304 730
Addition of subsidiary		28 355	–
Addition to property, books and equipment		(408 385)	(660 682)
Proceeds from sale of property, books and equipment		4 800	11 920
<b>CASH FLOW FROM FINANCE ACTIVITIES</b>		(5 134)	(5 713)
Decrease in interest-bearing borrowings			
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		241 688	13 809
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>		314 891	301 082
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	25	556 579	314 891



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

## 1. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

Management makes estimates and assumptions about the future. Consequently the accounting estimates used in the consolidated annual financial statements will not necessarily 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 27 for the assumptions.

The main assumption is a healthcare inflation rate of 8,4% (2013: 8,3%). The effect of a 1% change in healthcare inflation on the 2014 consolidated annual financial statements will be as follows:

<b>Increase of 1%</b>
<ul style="list-style-type: none"><li>• 12,1% (2013: 11,2%) increase in past-service liabilities</li><li>• 13,6% (2013: 12,5%) increase in service and interest costs (contractual liabilities only)</li></ul>
<b>Decrease of 1%</b>
<ul style="list-style-type: none"><li>• 10,1% (2013: 9,5%) decrease in past-service liabilities</li><li>• 11,3% (2013: 10,5%) decrease in service and interest costs (contractual liabilities only)</li></ul>

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 (2013: prime) on average. This assumption is based on enquiries made at various financial institutions. Provision for impairment of outstanding student fees is based on historical trends.

### Impairment of investments

The University determines the significance of a fair-value decrease to below market value by taking into account the volatility of the specific instrument. A decrease to below the market value for 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 1 January 2004 in terms of IFRS 1, First-time adoption of International Financial Reporting Standards, is based on the following key assumptions:

- The buildings will be placed on and traded in the market under normal market conditions.
- All the properties of Stellenbosch University will not be placed on the open market at the same time.
- Where there are title restrictions registered against properties that restrict or prohibit their sale, such title restrictions will be removed, where possible, by means of the Removal of Restrictions Act, 84 of 1967, before the properties are placed on the market.

### Leave provision

Employees are entitled to take their annual leave within 12 months (2013: 12 months) following the end of the relevant leave year. In addition, employees appointed before 1 January 2008 are entitled to accumulate a number of days, based on their post level, or to have those days paid out. The balance expires after 12 months (2013: 12 months). In the case of employees appointed after 1 January 2008, annual leave not taken expires after 12 months (2013: 12 months). The leave provision of employees older than 60 years, however, is restricted to the leave entitlement applicable to their post level at the age of 60. No leave may be accumulated post the age of 60. Historical trends in the number of days that has expired are used in calculating the leave provision.



## 2. FUND BALANCES

The accumulated balances as at 31 December are as follows:

	Restricted R000	Unrestricted R000	Property revaluation reserve R000	Fair-value reserve R000	Non-controlling interests R000	Total R000
<b>2014</b>						
Educational and general	1 771 438	971 273	–	328 514	–	3 071 224
Student and staff accommodation	120 792	–	–	26 577	–	147 369
Subsidiary companies	(5 295)	–	–	1 169	–	(4 126)
Loan funds	285 156	–	–	–	–	285 156
Endowment funds	2 041 153	62 155	–	789 883	–	2 893 191
Fixed-asset funds	1 612 144	–	2 538 731	74 070	–	4 224 945
Non-controlling interests	–	–	–	–	18 229	18 229
	<b>5 825 387</b>	<b>1 033 428</b>	<b>2 538 731</b>	<b>1 220 213</b>	<b>18 229</b>	<b>10 635 988</b>
<b>2013</b>						
Educational and general	2 043 165	25 110	–	449 702	–	2 517 976
Student and staff accommodation	92 932	–	–	31 554	–	124 486
Subsidiary companies	3 475	–	–	685	–	4 160
Loan funds	241 466	–	–	–	–	241 466
Endowment funds	1 158 461	403 105	–	1 116 750	–	2 678 316
Fixed-asset funds	1 445 475	–	2 538 731	87 348	–	4 071 554
Non-controlling interests	–	–	–	–	544	544
	<b>4 984 974</b>	<b>428 215</b>	<b>2 538 731</b>	<b>1 686 039</b>	<b>544</b>	<b>9 638 502</b>

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

	2014 R000	2013 R000
Restricted funds	6 791 973	5 856 418
Unrestricted funds	1 287 056	1 242 810
Earmarked reserves	1 059 648	836 402
Unearmarked reserves	227 408	406 408
<b>Funds available at market value</b>	<b>8 079 029</b>	<b>7 099 228</b>





### 3. INTEREST-BEARING BORROWINGS

	2014 R000	2013 R000
One government loan at a fixed interest rate repayable in equal biannual payments ending 2018	411	508
Various loans from insurance companies at varying interest rates and terms repayable in biannual payments	45 234	53 178
Bank facility for financing the University's various motor vehicle schemes	38 387	38 754
Lease liability	28 274	–
	112 306	92 440
Less: Portion repayable within one year	(1 471)	(6 769)
	<b>110 835</b>	<b>85 671</b>
The maturity dates of interest-bearing borrowings are as follows:		
Within one year	–	–
Between two and five years	43 004	51 625
After five years	69 303	40 815
	<b>112 306</b>	<b>92 440</b>
The minimum lease payments are payable as follows:		
Within one year	4 066	–
Between two and five years	20 755	–
After five years	74 879	–
Total payments	99 700	–
Less: finance charges payable	(71 426)	–
	<b>28 274</b>	<b>–</b>
The current value of lease payments is as follows:		
Within one year (additional interest capitalised)	(1 580)	–
Between two and five years	(4 500)	–
After five years	34 354	–
	<b>28 274</b>	<b>–</b>

The average interest rate on borrowings amounts to 12,8% (2013: 8,8%) at year-end.

Included in interest-bearing borrowings are motor vehicle loans of R1,0 million (2013: R2,0 million), for which motor vehicles are encumbered (refer to note 4). Motor vehicle loans owing by employees are included in trade and other receivables (refer to note 9). All the borrowings, excluding the motor vehicle schemes, have fixed interest rates. Motor vehicle scheme rates are linked to prime.

### 4. PROPERTY, BOOKS AND EQUIPMENT

	2014			2013		
	Cost	Accumulated depreciation	Net carrying value	Cost	Accumulated depreciation	Net carrying value
	R000	R000	R000	R000	R000	R000
Land	15 679	–	15 679	15 679	–	15 679
Buildings	4 553 358	700 550	3 852 808	4 289 696	651 549	3 638 148
Computer equipment	346 067	280 892	65 175	313 753	245 677	68 076
Other equipment and motor vehicles	831 721	422 029	409 691	781 669	352 220	429 449
Library books	509 824	509 824	–	454 895	454 895	–
	<b>6 256 649</b>	<b>1 913 295</b>	<b>4 343 353</b>	<b>5 855 692</b>	<b>1 704 341</b>	<b>4 151 352</b>



#### 4. PROPERTY, BOOKS AND EQUIPMENT (CONTINUED)

	Land	Buildings	Computer equipment	Other equipment and motor vehicles	Library books	Total
	R000	R000	R000	R000	R000	R000
<b>2014</b>						
Reconciliation of the carrying amount:						
Cost at the beginning of the year	15 679	4 416 221	313 753	781 669	454 895	5 982 217
Less: Government grant	-	(126 525)	-	-	-	(126 525)
Cost	15 679	4 289 696	313 753	781 669	454 895	5 855 692
Accumulated depreciation at the beginning of the year	-	(651 549)	(245 677)	(352 220)	(454 895)	(1 704 341)
Net opening carrying value	15 679	3 638 148	68 076	429 449	-	4 151 352
Net additions and disposals	-	293 345	44 478	28 855	66 302	432 980
Depreciation per income statement	-	(78 684)	(47 379)	(48 613)	(66 302)	(240 978)
<b>Net closing carrying value</b>	<b>15 679</b>	<b>3 852 808</b>	<b>65 175</b>	<b>409 691</b>	<b>-</b>	<b>4 343 353</b>
<b>2013</b>						
Reconciliation of the carrying amount:						
Cost at the beginning of the year	15 679	3 965 660	291 776	697 765	417 449	5 388 329
Less: Government grant	-	(102 073)	-	-	-	(102 073)
Cost	15 679	3 863 587	291 776	697 765	417 449	5 286 256
Accumulated depreciation at the beginning of the year	-	(580 805)	(219 200)	(326 264)	(417 449)	(1 543 718)
Net opening carrying value	15 679	3 282 782	72 576	371 501	-	3 742 538
Net additions and disposals	-	426 545	41 994	105 670	55 179	629 387
Depreciation per income statement	-	(71 177)	(46 495)	(47 722)	(55 179)	(220 573)
<b>Net closing carrying value</b>	<b>15 679</b>	<b>3 638 148</b>	<b>68 076</b>	<b>429 449</b>	<b>-</b>	<b>4 151 352</b>

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

Included in other equipment and motor vehicles are motor vehicles with a carrying value of R1,0 million (2013: R2,0 million) that are encumbered in terms of staff motor vehicle schemes at the respective banks (refer to note 3).

Included in land is property in Stellenbosch on which a notarial bond of R191,6 million (2013: R191,6 million) was registered. The rights in terms of the lease were ceded to the financier.

Work in progress to the value of R347,6 million (2013: R366,7 million) is included in the cost of buildings. No depreciation is recognised on work in progress.

The University rents property through a lease with a 15-year term and this is included in the costs and accumulated depreciation of buildings.

A significant portion of the Van der Sterr building, which houses various divisions and departments of the Faculty of Economic and Management Sciences, burnt down on 22 February 2015. As the fire took place after year-end, no adjustments were made to the values at year-end.



## 5. INTANGIBLE ASSETS

	Cost	2014 Accumulated amortisation	Net carrying value	Cost	2013 Accumulated amortisation	Net carrying value
	R000	R000	R000	R000	R000	R000
Oracle HRMS	13 913	13 913	–	13 913	13 507	406
Goodwill	2 144	–	2 144	–	–	–
	<b>16 057</b>	<b>13 913</b>	<b>2 144</b>	<b>13 913</b>	<b>13 507</b>	<b>406</b>

	Oracle HRMS	2014 Goodwill	Total	Oracle	2013 Goodwill HRMS	Total
	R000	R000	R000	R000	R000	R000
Reconciliation of the carrying amount						
Net opening carrying value	406	–	406	1 797	–	1 797
Amortisation per income statement	(406)	–	(406)	(1 391)	–	(1 391)
Acquisition of subsidiary	–	2 144	2 144	–	–	–
	<b>–</b>	<b>2 144</b>	<b>2 144</b>	<b>406</b>	<b>–</b>	<b>406</b>

## 6. LONG-TERM INVESTMENTS

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

	2014 R000	2013 R000
Government bonds	513 722	353 430
Shares	5 524 060	4 922 386
Listed shares	5 517 320	4 917 519
Unlisted shares	6 740	4 867
Fixed deposits	264 198	598 842
Other	328 751	191 896
	<b>6 630 731</b>	<b>6 066 554</b>

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

The average interest rate for purposes of valuation applicable to government bonds as at year-end was 8,7% (2013: 7,2%) and to fixed deposits 7,7% (2013: 4,5%).

The University's investment portfolios are managed by professional asset managers under the supervision of the Investment Committee of the Council.

## 7. INVESTMENT PROPERTIES

	2014 R000	2013 R000
Net opening carrying value	69 960	66 270
Change in use	(43 960)	–
Revaluation during the year	3 270	3 690
	<b>29 270</b>	<b>69 960</b>

On 3 February 2015 (2013: 23 January 2014) the value of all investment properties as at 31 December 2014 was determined by an external sworn valuer familiar with the revaluation of occupied apartment buildings. Income received from investment properties amounted to R0,02 million (2013: R0,3 million).

## 8. INVESTMENT IN ASSOCIATE COMPANIES

Name	Number of shares	Interest	Effective voting right
Unistel Medical Laboratories (Pty) Ltd	350	35,0%	35,0%
Stellenbosch Information Systems (Pty) Ltd	112 500	7,8%	26,0%
Stellenbosch Nanofiber Company (Pty) Ltd	370	37,6%	37,6%
GeoSUN Africa (Pty) Ltd	30	25,0%	25,0%

The interest in USB Executive Development Ltd was increased from 48,8% to 54,8% on 14 April 2014 and is consolidated as a subsidiary, from that date.





## 8. INVESTMENT IN ASSOCIATE COMPANIES (CONTINUED)

### 8.1 Unistel Medical Laboratories (Pty) Ltd

	2014 R000	2013 R000
Balance at the beginning of the year	3 303	2 784
Net share in profit of associate company	1 283	519
Share of pretax profit	2 212	877
Share of tax	(579)	(358)
Dividends earned	(350)	–
<b>Balance at the end of the year</b>	<b>4 586</b>	<b>3 303</b>

The main objective of the company is the provision of human and animal genetic, diagnostic and testing services.

### 8.2 Stellenbosch Information Systems (Pty) Ltd

	2014 R000	2013 R000
Balance at the beginning of the year	–	–

The main objective of the company is the development and manufacture of microsatellites and satellite subsystems.

### 8.3 USB Executive Development Ltd

	2014 R000	2013 R000
Balance at the beginning of the year	10 293	7 524
Net share in (loss)/profit of associate company	(2 611)	2 769
Share of pretax (loss)/profit	(2 611)	3 802
Share of tax	–	(1 008)
Dividend earned	–	(25)
Change in control on 14 April 2014	(7 682)	–
<b>Balance at the end of the year</b>	<b>–</b>	<b>10 293</b>

The main objective of the company is the development and presentation of executive development programmes and provision of consultation services.

The above loss is for the period 1 January 2014 to 14 April 2014. The University's interest in USB Executive Development Ltd increased to 54,8% on 14 April 2014. Consequently USB Executive Development Ltd is consolidated from that date.

### 8.4 Stellenbosch Nanofiber Company (Pty) Ltd

	2014 R000	2013 R000
Balance at the beginning and end of the year	–	–

The main objective of the company is the commercialisation of nanofibre technology.

### 8.5 GeoSUN Africa (Pty) Ltd

	2014 R000	2013 R000
Balance at the beginning of the year	188	–
Net share in profit of associate company	229	188
Share of pretax profit	229	188
Share of tax	–	–
Dividend earned	–	–
<b>Balance at the end of the year</b>	<b>417</b>	<b>188</b>
<b>Total investment in associate companies</b>	<b>5 003</b>	<b>13 783</b>

The main objective of the company is the delivery of services to the solar power industry.



## 8. INVESTMENT IN ASSOCIATE COMPANIES (CONTINUED)

### 8.6 Assets, liabilities and profits of Unistel Medical Laboratories (Pty) Ltd

	2014 R000	2013 R000
Plant and equipment	3 911	2 628
Intangible assets	1 208	1 005
Current assets	10 002	9 132
Total assets	15 121	12 765
Long-term liabilities	642	647
Current liabilities	1 377	2 681
Total liabilities	2 019	3 328
Income	28 176	22 808
Profit	4 253	2 615

### 8.7 Assets, liabilities and loss of Stellenbosch Information Systems (Pty) Ltd

	2014 R000	2013 R000
Plant, equipment and motor vehicles	–	–
Non-current assets	–	–
Current assets	3 731	3 731
Total assets	3 731	3 731
Long-term liabilities	–	–
Current liabilities	3 341	3 341
Total liabilities	3 341	3 341
Income	–	15 723
Profit	–	100

### 8.8 Assets, liabilities and profit of USB Executive Development Ltd

	2014 R000	2013 R000
Non-current assets	–	2 822
Current assets	–	26 254
Total assets	–	29 076
Non-current liabilities	–	–
Current liabilities	–	9 968
Total liabilities	–	9 968
Income	–	98 566
Profit	–	5 724

### 8.9 Assets, liabilities and profit of Stellenbosch Nanofiber Company (Pty) Ltd

	2014 R000	2013 R000
Non-current assets	3 101	3 034
Current assets	1 384	3 437
Total assets	4 485	6 471
Non-current liabilities	–	–
Current liabilities	328	193
Total liabilities	328	193
Income	1 955	500
Loss	(5 050)	(3 704)

### 8.10 Assets, liabilities and profit of GeoSUN Africa (Pty) Ltd

	2014 R000	2013 R000
Non-current assets	342	210
Current assets	1 758	688
Total assets	2 100	898
Non-current liabilities	150	150
Current liabilities	560	–
Total liabilities	710	150
Income	5 152	2 786
Profit	915	716



## 9. TRADE AND OTHER RECEIVABLES

	2014 R000	2013 R000
Student fees	78 145	69 448
Student fees due	151 323	131 958
Less: Provision for impairment of student fees	(73 178)	(62 510)
Student loans	106 291	106 163
Student loans due	177 365	165 125
Less: Impairment due to non-market-related interest rates	(17 741)	(15 797)
Less: Provision for impairment of student loans	(53 334)	(43 165)
Trade receivables	121 797	79 715
Trade receivables due	124 257	81 039
Less: Provision for impairment of trade receivables	(2 460)	(1 324)
Motor vehicle loans	41 127	40 047
Interest and dividends receivable on investments	13 718	8 059
Forward foreign exchange contract asset	–	922
Other	54 015	52 935
	415 092	357 289
	(172 196)	(166 463)
Less: Long-term portion of motor vehicle loans	(27 592)	(27 543)
Less: Long-term portion of student loans, taking into account provision for impairment	(144 604)	(138 920)
	<b>242 896</b>	<b>190 828</b>

Refer to note 29 for amounts outstanding by related parties included above.  
All non-current receivables are receivable within five years from the financial year-end.

### Student fees

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 impairment is recognised. The probability of collection decreases with the ageing of debt and consequently a higher impairment is recognised for older debt. A higher percentage is applied to debt handed over for collection.

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

	2014 R000	2013 R000
One year	72 850	57 891
Between one and five years	14 497	27 801
Five years and older	4 872	6 067
Handed over	59 105	40 199
<b>Total</b>	<b>151 323</b>	<b>131 958</b>

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

	2014 R000	2013 R000
Balance at the beginning of the year	62 510	42 631
Increase in provision for the year	17 533	20 566
Amounts written off during the year as irrecoverable	(6 865)	(687)
<b>Balance at the end of the year</b>	<b>73 178</b>	<b>62 510</b>

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

### 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. Students 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 R68,4 million (2013: R72,5 million) and no further impairment was deemed necessary for this group. Redeemable students amounted to R108,9 million (2013: R92,6 million), of which R44,4 million (2013: R41,2 million) had not been overdue. No impairment is deemed necessary for non-overdue loans. Overdue student loans amounted to R64,6 million (2013: R51,5 million). Overdue student loans are considered annually for possible impairment.





## 9. TRADE AND OTHER RECEIVABLES (CONTINUED)

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

	2014 R000	2013 R000
Balance at the beginning of the year	43 165	33 949
Increase in provision for the year	10 479	9 462
Amounts written off during the year as irrecoverable	(310)	(246)
<b>Balance at the end of the year</b>	<b>53 334</b>	<b>43 165</b>

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

### Trade and other receivables

As at year-end trade and other fully performing receivables amounted to R111,8 million (2013: R84,4 million).

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

	2014 R000	2013 R000
Between one and four months	32 235	31 661
Older than four months	27 388	13 292
<b>Total</b>	<b>59 623</b>	<b>44 953</b>

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

	2014 R000	2013 R000
Balance at the beginning of the year	1 324	1 762
Increase in provision for the year	1 712	307
Amounts written off during the year as irrecoverable	(576)	(745)
<b>Balance at the end of the year</b>	<b>2 460</b>	<b>1 324</b>

### Motor vehicle loans

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

### Interest and dividends receivable on investments

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

## 10. DEFERRED TAX

The movement in the deferred tax account is as follows:

	2014 R000	2013 R000
Balance at the beginning of the year	(680)	(592)
Movement during the year:		
Temporary differences on property, books and equipment	405	(88)
<b>Balance at the end of the year</b>	<b>(275)</b>	<b>(680)</b>
The deferred tax balance consists of the following:		
Temporary differences on property, books and equipment	(275)	(680)
	<b>(275)</b>	<b>(680)</b>

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



## 10. DEFERRED TAX (CONTINUED)

Subsidiaries of the University have deferred tax assets of R2,5 million (2013: R2,5 million) not recognised in the consolidated annual financial statements and those of the subsidiaries due to uncertainty relating to their recoverability. The movement in tax for the year is included in 'Other operating expenditure'.

## 11. INVENTORIES

Inventories consist of the following items:

	2014 R000	2013 R000
Stationery	426	603
Consumables	3 905	2 527
<b>Total</b>	<b>4 331</b>	<b>3 131</b>

## 12. OPERATING LEASE ASSET/(LIABILITY)

The net operating lease (liability)/asset is made up as follows:

	2014 R000	2013 R000
Operating lease liability	–	(11 205)
Operating lease asset	13 697	603
<b>Total</b>	<b>13 697</b>	<b>(10 602)</b>

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

	2014 R000	2013 R000
Balance at the beginning of the year	13 697	(10 602)
Payable within one year	(4 505)	(6 184)
Payable within two to five years	(9 192)	16 786
Payable after five years	–	–
	–	–

## 13. TRADE AND OTHER PAYABLES

	2014 R000	2013 R000
Trade payables	40 076	26 815
Student fees received in advance	91 299	79 406
Accrued remuneration costs	45 381	42 462
Accrued expenditure	51 239	92 687
Accrued leave liability	138 656	132 228
Student and other callable deposits	1 034	1 599
Income received in advance	144 178	219 268
Other	193 034	144 922
	<b>704 898</b>	<b>739 387</b>

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



#### 14. COMMITMENTS

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

	2014 R000	2013 R000
Buildings	96 825	120 388
Library books and journals	851	1 140
	<b>97 676</b>	<b>121 528</b>

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

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

	2014 R000	2013 R000
Within one year	4 724	10 636
Within two to five years	22 257	–
After five years	74 879	–
	<b>101 860</b>	<b>10 636</b>

#### 15. STAFF COSTS

	2014 R000	2013 R000
Remuneration and fringe benefits	1 708 461	1 582 417
Increase in provision for staff benefits	20 510	19 433
Increase in provision for long-service benefits	700	42
	1 729 671	1 601 892
Increase/(Decrease) in provision for staff benefits included in comprehensive income	29 769	(8 052)
	<b>1 759 440</b>	<b>1 593 840</b>

The average number of fulltime, permanent employees is 3 211 (2013: 3 167).  
The average number of fulltime, non-permanent employees is 1 302 (2013: 1 482).

#### 16. 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 2014 R000	Period	Total value 2013 R000	Period
Prof HR Botman	Rector and Vice-Chancellor	Remuneration paid out	1 628	Jan – Jun 2014	3 074	Jan – Dec 2013
		Bonus paid out	241	Jan – Jun 2014	–	Jan – Dec 2013
		Leave paid out	358	Jan – Jun 2014	291	Jan – Dec 2013
Prof JF Smith	Vice-Rector (Community interaction and Staff)	Remuneration paid out	1 936	Jan – Dec 2014	1 827	Jan – Dec 2013
		Bonus paid out	109	Jan – Dec 2014	134	Jan – Dec 2013
		Leave paid out	92	Jan – Dec 2014	174	Jan – Dec 2013
Prof ASM Karaan	Vice-Rector (Community interaction and Staff) (acting)	Remuneration paid out	861	May – Dec 2014	–	
		Bonus paid out	68	May – Dec 2014	–	
		Leave paid out	192	May – Dec 2014	–	
Prof A Schoonwinkel	Vice-Rector (Teaching)	Remuneration paid out	1 823	Jan – Dec 2014	1 778	Aug – Dec 2013
		Bonus paid out	109	Jan – Dec 2014	104	Aug – Dec 2013
Prof TE Cloete	Vice-Rector (Research)	Remuneration paid out	1 860	Jan – Dec 2014	1 755	Aug – Dec 2013
		Bonus paid out	109	Jan – Dec 2014	104	Aug – Dec 2013
Prof L van Huyssteen	Chief Operating Officer	Remuneration paid out	1 936	Jan – Dec 2014	1 827	Jan – Dec 2013
		Bonus paid out	109	Jan – Dec 2014	134	Jan – Dec 2013
		Leave paid out	–	Jan – Dec 2014	112	Jan – Dec 2013
		Additional remuneration paid out	–	Jan – Dec 2014	261	Jan – Dec 2013





## 16. STAFF COSTS: EXECUTIVE MANAGEMENT (CONTINUED)

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

Paid to	Number of members	Attendance of meetings Average value R000	Reimbursement of expenses Total value R000
Chairperson of the Council	1	–	–
Members of the Council	30	–	14

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

## 17. TOTAL EXPENDITURE

Total expenditure includes the following:

	2014 R000	2013 R000
<b>DEPRECIATION</b>		
Buildings	78 684	71 177
Computer equipment	47 379	46 495
Other	48 613	47 722
Library books	66 302	55 179
	<b>240 978</b>	<b>220 573</b>
<b>AMORTISATION OF INTANGIBLE ASSETS</b>	<b>406</b>	<b>1 391</b>
<b>OTHER OPERATING EXPENDITURE</b>		
Bursaries	588 427	530 506
Rent	38 318	53 131
– Buildings	28 733	42 919
– Equipment	9 585	10 212
Maintenance and repairs	108 809	76 187
Auditors' remuneration	4 342	5 609
For statutory audit		
– Provision for current year	2 051	2 155
– Underprovision in previous year	85	211
For other audit services	2 055	2 206
For other consulting services	151	1 037
Internal audit	1 524	3 565
Forensic audit	2 819	4 718
Increase in provision for impairment of student fees, student loans and receivables	21 973	28 656
Impairment of student loans	1 943	2 209
Other expenditure	1 140 634	994 694
	<b>1 908 789</b>	<b>1 699 275</b>

## 18. RENT RECEIVED

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

	2014 R000	2013 R000
Within one year	4 331	5 295
Within two to five years	4 862	7 574
After five years	–	–
	<b>9 193</b>	<b>12 869</b>

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



## 19. INTEREST AND DIVIDENDS EARNED

	2014 R000	2013 R000
Interest received – operating investments	21 682	16 861
– non-operating investments	66 509	79 012
– other	115 451	59 627
Dividends received	85 769	81 599
<b>Total</b>	<b>289 411</b>	<b>237 099</b>

## 21. INTEREST RECEIVED

	2014 R000	2013 R000
Amount receivable at the beginning of the year	8 059	20 985
Amount in income statement	203 642	155 500
Amount receivable at the end of the year	(13 718)	(8 059)
	<b>197 983</b>	<b>168 426</b>

## 23. FINANCE CHARGES PAID

	2014 R000	2013 R000
Amount payable at the beginning of the year	2 187	2 357
Amount in income statement	22 837	12 538
Amount payable at the end of the year	(1 982)	(2 187)
	<b>23 042</b>	<b>12 708</b>

## 24. RECONCILIATION OF SURPLUS WITH CASH FLOWS

	2014 R000	2013 R000
Surplus according to the consolidated income statement	1 486 931	528 414
Adjustments for:		
Realised profits on disposal of investments	(946 819)	(303 423)
Interest and dividends received	(289 411)	(237 099)
Finance charges	22 837	12 538
Profit on disposal of property, books and equipment	(4 519)	(3 819)
Increase in provision for leave gratuity	6 428	20 472
Increase in provision for staff benefits	21 210	19 476
Increase in provision for impairment of student fees and loans	23 916	30 866
Depreciation and amortisation	241 384	221 964
Foreign exchange gain	(3 779)	(5 919)
Increase in investment in associate companies	(1 512)	(3 372)
Loss on disposal of property, books and equipment	941	–
Donation of property, books and equipment	(25 464)	(18 028)
Operating income before changes in working capital	532 142	262 070
Change in working capital	(157 827)	222 180
Increase in trade and other receivables	(79 047)	(6 602)
Less: Increase/(Decrease) in receivables for outstanding investment income	5 659	(12 926)
Increase in inventories	(1 200)	(564)
(Decrease)/Increase in trade and other payables	(58 940)	227 481
(Decrease)/Increase in operating lease liability	(24 299)	14 792
<b>Cash generated by operations</b>	<b>374 315</b>	<b>484 250</b>

## 20. REALISED PROFIT ON SALE OF INVESTMENTS

	2014 R000	2013 R000
Profit realised from fair-value reserve	946 819	303 423

## 22. DIVIDENDS RECEIVED

	2014 R000	2013 R000
Amount receivable at the beginning of the year	–	–
Amount in income statement	85 769	81 599
Amount receivable at the end of the year	–	–
	<b>85 769</b>	<b>81 599</b>



## 25. CASH AND CASH EQUIVALENTS

	2014 R000	2013 R000
Favourable bank balances	291 165	100 195
Short-term investments in cash	265 414	214 696
	<b>556 579</b>	<b>314 891</b>

The average interest rate on cash and cash equivalents for 2014 amounts to 3,4% (2013: 5,8%).

	2014 R000	2013 R000
The University's facilities at banks reviewed annually	169 520	149 520

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.

## 26. 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.

### 26.1 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.

These risks are monitored continuously and appropriate steps are taken to manage them optimally.

### 26.2 Market risk

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

#### 26.2 (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 2014, with all other factors remaining unchanged, the surplus for the year would have increased/(decreased) as follows:

	2014 R000	2013 R000
EURO	259	39
GBP	351	138
USD	1 859	558
	<b>2 469</b>	<b>735</b>

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. No open forward foreign exchange contracts existed at 31 December 2014.

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

	2014 R000	2013 R000
USD (at average rates 2013: R10,558 = \$1)	–	922
	<b>–</b>	<b>922</b>





## 26. FINANCIAL RISK MANAGEMENT (CONTINUED)

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 2014 000	Rand value 2014 R000	Foreign exchange 2013 000	Rand value 2013 R000
<b>TRADE RECEIVABLES</b>				
EURO	242	3 234	55	727
GBP	398	7 022	162	2 766
USD	1 059	10 769	1 087	11 035
<b>Net foreign exchange asset</b>		<b>21 025</b>		<b>14 528</b>

### 26.2 (b) Price risk

The University is exposed to price risk in terms of listed investments available for sale. Should the local securities exchange (JSE) rise/fall by 10,0% as at 31 December 2014 and all other factors remain unchanged, the fair-value reserve for listed shares would have increased/decreased by R551,7 million (2013: R491,8 million). A securities exchange ("bond exchange") rise or fall of 10,0% as at 31 December 2014 would have resulted in an increase/decrease of R51,4 million (2013: R35,3 million) in the fair-value reserve for interest-bearing listed instruments.

The University is not exposed to commodity price risk.

### 26.2 (c) Interest rate risk

The interest rate features of new and existing loans are continuously reviewed. The University did not enter into any interest-rate-derivative agreements for the years ended 31 December 2014 and 2013.

Should the interest rate on balances at banks as at year-end increase/decrease by 100 basis points, the surplus for the year would have increased/decreased by R5,6 million (2013: R3,0 million).

Should the interest rate on interest-bearing investments as at year-end increase/decrease by 100 basis points, the surplus for the year would have increased/decreased by R2,6 million (2013: 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 100 basis points as at year-end, the surplus for the year would have decreased/increased by R0,4 million (2013: R0,4 million).

### 26.3 Liquidity risk

Transparent liquidity risk management implies the maintenance of sufficient cash and marketable securities, as well as the availability of credit facilities. During 2012 the Investment Committee of the Council moved an amount of R750 million from short-term cash investment funds (money market) to long-term investment funds which, among others, contributed to a large decrease in the current assets of the University.

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 R245,0 million (2013: R121,0 million) have also been included in long-term investments.

	2014 R000	2013 R000
Current assets	808 313	508 849
Current liabilities	706 645	757 438
Operating capital ratio	1,1	0,7

### 26.4 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 2014 and 31 December 2013 there was no material credit risk for which adequate provision had not been made. Trade and other receivables are shown net of any provision for impairment.

### 26.5 Estimation of fair value

The fair values of listed investments available for sale are based on quoted market prices as at year-end. The quoted market price refers to the closing price on the last date of business before year-end. The fair values of unlisted investments not traded in an active market are determined by means of applicable valuation methods, based on market conditions as



## 26. FINANCIAL RISK MANAGEMENT (CONTINUED)

at year-end. Fair values of the remainder of financial instruments are determined on the basis of discounted-cash flow models. The nominal values of trade and other receivables and payables and interest-bearing borrowings less impairments are deemed as their fair values. Short-term debt instruments represent endowment funds where the donor may determine the application and time of application, and are measured at fair value.

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

Level 1 Quoted prices in terms of active markets for identical assets and liabilities.

Level 2 Inputs other than quoted prices obtained directly (prices) or indirectly (derived from prices).

Level 3 Inputs for assets and liabilities not based on available market data.

Assets as at 31 December 2014 shown at fair value:

	Level 1 R000	Level 2 R000	Level 3 R000	Total R000
Government bonds	513 722	–	–	513 722
Shares				
– Listed shares	5 517 320	–	–	5 517 320
– Unlisted shares	–	6 740	–	6 740
Fixed deposits	264 198	–	–	264 198
Other	328 751	–	–	328 751
	<b>6 623 991</b>	<b>6 740</b>	<b>–</b>	<b>6 630 731</b>

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 2013 government bonds, listed shares, fixed deposits and other investments were classified as level 1 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.

### Financial liabilities

	Carrying value R000	Contractual cash flow R000	< 1 year R000	1–5 years R000	> 5 years R000
<b>31 DECEMBER 2014</b>					
Interest-bearing borrowings	112 306	225 714	12 193	94 508	119 013
Trade and other payables	704 899	704 899	704 899	–	–
Total financial liabilities	817 204	930 612	717 091	94 508	119 013
<b>31 DECEMBER 2013</b>					
Interest-bearing borrowings	92 440	140 772	14 292	73 493	52 987
Operating lease liability	10 602	10 602	10 602	–	–
Trade and other payables	739 387	739 387	739 387	–	–
Total financial liabilities	842 429	890 761	764 281	73 493	52 987

### 26.6 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.



## 27. STAFF BENEFITS

### Contributions to the University of Stellenbosch Retirement Fund (USRF)

USRF, established on 1 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. As at 1 January 2015 USRF members totalled 3 265 (2014: 3 182). Membership contribution rates vary from 10% to 20% of pensionable earnings. The actuaries declared the fund financially sound. Total contributions paid amounted to R164,8 million (2013: R137,6 million). The most recent audit had been done for the year ended 31 December 2013 and an unqualified opinion was expressed.

### Other benefits

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

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

Liabilities are calculated by the independent actuaries at least every three years and are reviewed annually. A complete actuarial valuation was performed as at 31 December 2014. The next actuarial valuation will be performed no later than 1 January 2016.

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

	2014	2013
Discount rate	8,5%	8,9%
Medical inflation	8,4%	8,3%
Group life inflation	7,9%	7,8%
Salary inflation	7,9%	7,8%
Retirement age	65,0	65,0
Expected average retirement age	65,0	65,0
Age difference between principal member and spouse: continued	Actual	Actual
Age difference between principal member and spouse: active	4,0	4,0
Income at retirement	75,0%	75,0%
Proportion married at retirement	75,0%	75,0%
Maximum age for orphan contributions	21,0	21,0
Continuation at retirement	100,0%	100,0%

### Reconciliation of the carrying amount:

	Medical liability R000	2014 Group life insurance R000	Total R000	Medical liability R000	2013 Group life insurance R000	Total R000
Liability at the beginning of the year	453 092	40 171	493 263	442 934	38 948	481 882
Adjustments in the consolidated income statement:						
– Current service charges	5 681	2 129	7 810	5 342	2 213	7 555
– Interest charge	38 827	3 448	42 275	35 245	3 105	38 350
– Expected contributions payable by the employer	(27 291)	(2 284)	(29 575)	(24 436)	(2 036)	(26 472)
Adjustments in the statement of comprehensive income	30 049	(280)	29 769	(5 993)	(2 059)	(8 052)
	<b>500 358</b>	<b>43 184</b>	<b>543 542</b>	<b>453 092</b>	<b>40 171</b>	<b>493 263</b>

### The actuarial loss is attributable to the following:

	2014 R000	2013 R000
Change in financial assumptions	27 884	10 920
Change in actuarial basis	10 726	(31 509)
Increase in contributions	–	2 485
Change in demographic assumptions	(8 841)	–
Change in membership numbers and details	–	10 052
	<b>29 769</b>	<b>(8 052)</b>

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

	2014 R000	2013 R000
Continued members	362 905	327 840
In-service members	180 637	165 423
	<b>543 542</b>	<b>493 263</b>

The expected increase in the liability for the next 12 months for in-service members is R23,9 million (2013: R20,9 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:

	2014 R000	2013 R000
Active members	3 193	2 493
	<b>3 193</b>	<b>2 493</b>

Total staff benefits:

	2014 R000	2013 R000
Post-retirement medical benefits and group life insurance	543 542	493 263
Long-service benefits	3 193	2 493
	<b>546 735</b>	<b>495 756</b>

The history of staff benefits is as follows:

	2014 R000	2013 R000	2012 R000	2011 R000	2010 R000
Current value of liability	546 735	495 756	484 332	411 181	367 103
Actuarial loss due to experience	10 726	31 698	39 755	17 259	28 344

## 28. INCOME TAX

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

## 29. RELATED-PARTY TRANSACTIONS

**29.1 The institutions below are deemed related parties of the University.**

PARTY	RELATIONSHIP
Stellenbosch Trust	University is sole beneficiary
Stellenbosch Development Trust	University is sole beneficiary
US Investment Trust	University is sole beneficiary
Stellenbosch Legal Faculty Trust	University is sole beneficiary
Stellenbosch Financing Partnership	University is sole beneficiary
Innovus Technology Transfer (Pty) Ltd	Wholly owned subsidiary
Unistel Properties (Pty) Ltd	Wholly owned subsidiary
Unistel Technology (Pty) Ltd	Wholly owned subsidiary of Innovus Technology Transfer
Stellenbosch University Sport Performance Institute (Pty) Ltd	Wholly owned subsidiary of Innovus Technology Transfer
Stellenbosch Wind Energy Technologies (Pty) Ltd	Wholly owned subsidiary of Innovus Technology Transfer
Stellenbosch Nanofiber Company (Pty) Ltd	Associate company of Innovus Technology Transfer
GeoSUN Africa (Pty) Ltd	Associate company of Innovus Technology Transfer
Unistel Medical Laboratories (Pty) Ltd	Associate company of Innovus Technology Transfer
Stellenbosch Information Systems (Pty) Ltd	Associate company of Innovus Technology Transfer
Aquastel (Pty) Ltd	Wholly owned subsidiary of Innovus Technology Transfer
Sun Media Stellenbosch (Pty) Ltd	Subsidiary of Innovus Technology Transfer
Launchlab (Pty) Ltd	Wholly owned subsidiary of Innovus Technology Transfer
Surfactant Medical Technology (Pty) Ltd	Subsidiary of Innovus Technology Transfer
Custos Technologies (Pty) Ltd	Associate company of Innovus Technology Transfer
USB Executive Development Ltd	Subsidiary of the University

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



## 29.2 Transactions with related parties

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

### 29.2.1 Income

From subsidiaries:

	2014 R000	2013 R000
Contributions received	232 335	215 462
Services	19 824	929
Interest	801	497
	<b>252 960</b>	<b>216 888</b>

From associate companies:

	2014 R000	2013 R000
Services	–	14 155
Rent	–	478
	<b>–</b>	<b>14 633</b>

### 29.2.2 Expenditure

To subsidiaries:

	2014 R000	2013 R000
Services	17 413	877
Rent	348	192
	<b>17 761</b>	<b>1 069</b>

To associate companies:

	2014 R000	2013 R000
Services	–	1 459
Allocation to Stellenbosch Information Systems (Pty) Ltd from the contingency reserve	–	1 000
	<b>–</b>	<b>2 459</b>

### 29.2.3 Amounts outstanding at year-end

Receivable from:

	2014 R000	2013 R000
Subsidiaries	11 597	10 211
	<b>11 597</b>	<b>10 211</b>

Payable to:

	2014 R000	2013 R000
Subsidiaries	1 289	3 879
Associate companies	–	4
	<b>1 289</b>	<b>3 883</b>

### 29.2.4 Loans granted to related parties

	2014 R000	2013 R000
Stellenbosch University Sport Performance Institute (Pty) Ltd	2 732	3 706
Unistel Technology (Pty) Ltd	4 970	4 970
Innovus Technology Transfer (Pty) Ltd	2 323	2 323
	<b>10 025</b>	<b>10 999</b>

The loan to Stellenbosch University Sport Performance Institute (Pty) Ltd bears interest linked to prime and has fixed terms for repayment.

The loans to Unistel Technologies (Pty) Ltd and Innovus Technology Transfer (Pty) Ltd bear interest linked to prime and are repayable by mutual agreement.



### 30. CONTINGENT LIABILITIES

The University guarantees a percentage of the outstanding amount on mortgage loans of qualifying employees. The maximum exposure at year-end amounts to R430 398 (2013: R430 398).

The University undertook to provide financial support to some subsidiaries and associate companies, where necessary.

### 31. ACQUISITION OF SUBSIDIARY

The University bought an additional interest of 6,0% in USB Executive Development Ltd on 14 April 2014. Hence the interest increased from 48,8% to 54,8%. Consequently the company is consolidated as a subsidiary of the University from that date.

The University paid R2 317 980 for 1 103 800 shares.

	2014 R000
Investment in associate on 14 April 2014	7 628
Amount paid for additional interest	2 318
Less: Identifiable assets and liabilities	(14 230)
Cash and cash equivalents	28 354
Equipment	483
Trade and other receivables	21 344
Trade and other payables	(37 184)
Inventories	1 233
Minority interest	6 429
<b>Goodwill recognised</b>	<b>2 144</b>



# GLOSSARY

## TERMS AND DEFINITIONS

A-rated researcher	Researchers who are regarded as world leaders in their respective research fields.
attributes of graduates	<p>Stellenbosch University aims to equip each graduate, during the course of his or her studies, with desirable and enduring attributes. A Stellenbosch University graduate should:</p> <ul style="list-style-type: none"><li>• have an enquiring mind (be a lifelong learner, use scientifically based methods of enquiry, think critically);</li><li>• be an engaged citizen at the local, regional and global level (be socially and environmentally accountable, exercise leadership, participate in a diverse, multilingual society);</li><li>• be a dynamic professional (apply and communicate knowledge, seize opportunities and solve problems, innovate, behave ethically); and</li><li>• be a well-rounded individual along social and intellectual dimensions (benefit from opportunities for personal growth, seek enriching experiences).</li></ul>
blended learning	A collaborative system of learning that integrates technologies such as web-based, satellite and mobile applications with face-to-face learning and teaching for greater flexibility (anytime access) and mobility (anywhere access). Blended learning enhances interaction amongst students, and between staff and students, while also improving access to resources.
designated groups	People who are black, coloured and Indian.
dual-medium instruction	Classes are offered bilingually in Afrikaans and English; teaching takes place at least 50% of the time in Afrikaans and the teaching and learning material is, as far as possible, in Afrikaans and in English. Modules thus presented are marked with a T specification in the University's Calendar. Also see language specification.
Horizon 2020	The European Union's biggest research and innovation funding programme to promote excellent science and industrial leadership, and to tackle social challenges. Funding is made available to a variety of projects over a seven-year period – from 2014 to 2020 – generally in a framework of three to four years per project.
income stream	<p>The University's financial capital is divided into four income or money streams, which are numbered for ease of reference. The four streams depend upon different financial inputs:</p> <ul style="list-style-type: none"><li>• first-stream income: state subsidy;</li><li>• second-stream income: tuition fees paid by students;</li><li>• third-stream income: from (contract) research, investment income, income earned from commercialisation and sales; and</li><li>• fourth-stream income: philanthropic donations and bequests.</li></ul>
institutional engagement:	A more inclusive concept than community interaction, referring to partnerships within the University (between academics, students and support service staff) as well as outside the University (driving collaborative projects with external partners), building social and relationship capital for the mutual benefit of all involved.
Integrated Reporting <IR>	<IR> is a process that results in communication by an organisation, most visibly a periodic integrated report, about value creation over time. An integrated report is a concise communication about how an organisation's strategy, governance, performance and prospects, in the context of its external environment, lead to the creation of value over the short, medium and long term. ( <i>Consultation Draft of the International &lt;IR&gt; Framework</i> ; the International Integrated Reporting Council; <a href="http://www.theiirc.org">www.theiirc.org</a> )
interpreting	The class is presented entirely in either Afrikaans or English, and an interpreter simultaneously translates the lesson into the other language. The interpreter uses a headset or hand microphone, and students listen to the lecture through earphones.
King III	The third Report on Governance in South Africa compiled by the King Committee. The King Code for accountable governance is a set of guidelines which is adopted by a company or institution in an individualised manner on an 'apply or explain' basis. The philosophy of the Report is centred on corporate citizenship, leadership and sustainability. ( <i>King Code of Governance Principles for South Africa 2009</i> ; the Institute of Directors in Southern Africa; <a href="http://www.iodsa.co.za">www.iodsa.co.za</a> )





knowledge and other partnerships      The University establishes relationships through formal, institutional partnerships with civil community organisations, local governments or municipalities, the Western Cape Provincial Government, the Western Cape Department of Health, the national Departments of Defence and Military Veterans, churches (Theology), Elsenburg (Agrisciences), etc. These partnerships are usually guided by a formal memorandum of understanding.

language specification      In the University's Calendar, all modules are marked with a language specification according to the University's Language Policy and Plan.  
Further particulars at [www.sun.ac.za/language](http://www.sun.ac.za/language)

LANGUAGE SPECIFICATION	CHARACTERISTICS
The A specification (Afrikaans as the principal medium of instruction)	<ul style="list-style-type: none"> <li>- The teaching is done mainly in Afrikaans.</li> <li>- The teaching and learning materials (textbooks excluded) are in Afrikaans and English as far as possible.</li> </ul>
The T specification (Bilingual classes: 50% English and 50% Afrikaans)	<ul style="list-style-type: none"> <li>- The teaching is done in Afrikaans for not less than 50% of the time. (Also referred to as dual-medium instruction.)</li> <li>- The teaching and learning materials (textbooks excluded) are in Afrikaans and English as far as possible.</li> </ul>
The E specification (English as medium of instruction)	<ul style="list-style-type: none"> <li>- The teaching is done mainly in English.</li> <li>- The teaching and learning materials (textbooks excluded) are in English and in Afrikaans whenever possible.</li> </ul>
The A&E specification (Separate 'streams' in Afrikaans and in English)	Teaching of separate classes that are presented entirely in Afrikaans or entirely in English.
A+i E+i (Classes interpreted to Afrikaans or English)	Classes presented in Afrikaans are interpreted simultaneously to English and classes presented in English are interpreted to Afrikaans. See "interpreting".

module      A module is a set of classes or lectures, seminars or practicals forming a unit within a subject.

parallel-medium instruction      Instruction is offered in separate classes in Afrikaans and in English. Modules offered in this way are marked with an A&E specification in the University's Calendar.

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, honours, master's and doctorate. We also differentiate between diploma programmes and certificate programmes.

scholarship of engagement      Collaboration between institutions of higher education and their wider communities – knowledge professionals and the lay public (local, regional or state, national, global) – for the mutually beneficial exchange of knowledge and resources in a context of partnership and reciprocity (also: community-engaged scholarship). The purpose of community engagement is the partnership of university knowledge and resources with those of the public and private sectors to enrich scholarship, research, and creative activity; enhance curriculum, teaching and learning; prepare educated, engaged citizens; strengthen democratic values and civic responsibility; address critical societal issues; and contribute to the public good. (Carnegie Foundation for the Advancement of Teaching; [www.nerche.org](http://www.nerche.org))

Soudien Report      Report of the Ministerial Committee on Transformation and Social Cohesion and the Elimination of Discrimination in Public Higher Education Institutions (2010). The compiler of the report was Prof Crain Soudien. His portfolio as Assistant Vice-Chancellor of the University of Cape Town entailed supporting the Vice-Chancellor in implementing institutional transformation. In 2009 he was the Chairman of the ministerial committee which investigated transformation in higher education. Despite important legislation promulgated in 1995/6, 1996/7 and 2000/2001 to achieve equality, South Africa has the greatest gap between rich and poor in the world. This gap has increased notwithstanding the advent of democracy in South Africa in 1994. Against this background universities have a difficult task.



## Vision 2030

The University, as a 21<sup>st</sup> 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. (Stellenbosch University Institutional Intent and Strategy 2013–2018, page 17)

## ABBREVIATIONS

BA	Bachelor of Arts	IIS	Institutional Intent and Strategy 2013–2018
BEd	Bachelor of Education	IP	Institutional Plan 2015–2020
BEdHons	Bachelor of Education Honours	IRDR	Integrated Research on Disaster Risk
BEng	Bachelor of Engineering	LLL	Listen, Live and Learn
BSc	Bachelor of Science	MGD	( <i>Matie Gemeenskapsdiens</i> ) Matie Community Service
BScHons	Bachelor of Science Honours	NRF	National Research Foundation
CHE	Council of Higher Education	PCT	patent cooperation treaties
CHEC	Cape Higher Education Consortium	PhD	Doctor of Philosophy
CPUT	Cape Peninsula University of Technology	Prof	Professor
CREST	Centre for Research on Evaluation, Science and Technology	PSO	Private Students' Organisation
DHET	Department of Higher Education	RADAR	Research Alliance for Disaster and Risk Reduction
DST-NRF	Department of Science and Technology and National Research Foundation	RMT	Rector's Management Team
ECSA	Engineering Council of South Africa	SANDF	South African National Defence Force
FP7	7 <sup>th</sup> Framework Programme for Research and Technological Development	SARChI	South African Research Chair Initiative
FVZS	Frederick van Zyl Slabbert Institute for Student Leadership Development	SciSTIP	Scientometrics and Science, Technology and Innovation Policy
HEMIS	Higher Education Information Management System	SMI	Strategic Management Indicator
ICT	information and communication technology	Stell	Stellenbosch
IFRS	International Financial Reporting Standards	SU	Stellenbosch University
IIRC	International Integrated Reporting Council	THRIP	Technology and Human Resources for Industry Programme
		UCT	University of Cape Town
		UWC	University of the Western Cape
		Wits	University of the Witwatersrand

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