

# NELSON MANDELA

UNIVERSITY



Nelson Mandela University Trust

## ANNUAL REPORT

# 2022

# Contents

Foreword .....	3
Management Report .....	4
Governance .....	5
Board of Trustees .....	6
Strategic Priorities and Performance .....	7
Monitoring and Reporting .....	13
Our People .....	14
List of Donors .....	15
Annual Financial Statements .....	17

## LIST OF TABLES

Table 1: Attendance at Trust Meetings .....	5
Table 2: Performance against Vision 2020 performance indicators .....	7
Table 3: Demographic analysis of bursary recipients. ....	8
Table 4: Bursary funding from Trusts and Foundations. ....	8
Table 4: Bursary funding from Trusts and Foundations (continued) .....	9
Table 5: Bursary funding from Individual Donors .....	9
Table 6: Bursary funding from Corporates. ....	9
Table 7: Bursary funding from Public Sector .....	10
Table 6: Bursary funding from Corporates (continued). ....	10
Table 8: Project funding from Trusts & Foundations .....	11
Table 9: Project funding from Individual Donors. ....	11
Table 10: Project funding from Corporates. ....	12
Table 11: Project funding from Public Sector. ....	12

# Foreword

by Chairperson of Nelson Mandela University Trust

**T**his 2022 Annual Report is presented on behalf of the Trustees of the Nelson Mandela University Trust. The year under review saw a physical return to work after remote working during the worldwide Covid-19 pandemic. It proved to a year of re-establishing in-person contact with our funders and stakeholders. The fundraising environment continued to be challenging for Higher Education Institutions globally and nationally. The pandemic and related social and economic challenges continued to impact in different ways, but mitigation measures put in place by Trustees helped to cushion the impact on resource mobilisation. The implementation of a risk mitigation strategy adopted by Trustees in the latter part of 2021 saw the Trust regain some of the lost ground.

Through our activities we continued to make an important contribution within our mandate to helping Nelson Mandela University deliver on its vision and mission to provide quality higher education and to be a university in the service of society.

Sound corporate governance is at the heart of the responsibilities of Trustees. In the spirit of transparency and accountability this annual report is intended to provide funders, stakeholders, alumni and the broader University publics with information on Trust operations in 2022 and indicate how funds were deployed. On behalf of the Trustees of the Nelson Mandela University Trust, I would like to thank all the donors and funders who contributed resources to the University through the Trust in 2022. Your generosity has helped Mandela University to broaden access and provide quality higher education.

**Ambassador Nozipho January-Bardill**

*Chairperson: Nelson Mandela University Trust*



“Through our activities we continued to make an important contribution within our mandate to helping the Nelson Mandela University deliver on its vision and mission to provide quality higher education and to be a university in the service of society.”

# Management Report

**T**he Nelson Mandela University Trust is an independent charitable entity registered with the Master of the High Court in South Africa (registration number IT 48/2001). Nelson Mandela University is the sole beneficiary. The Trust is also registered with the South African Revenue Services as a public benefit organization (PBO number 130003878). Governance is in the hands of Trustees, who exercise the fiduciary and corporate governance functions expected of Trustees.

The main goal of the Trust is to support and contribute to the academic project and financial sustainability of the University through strategic resource mobilisation. This annual report has been structured to provide information on the key areas of governance, performance, financial management and human capital. In mid-2021 Nelson Mandela University adopted Vision 2030, which was steadily cascaded into the strategic plans and annual performance plans of the various part of the University in the course of 2022. Vision 2030 and its indicators will inform the activities and reporting of the Trust in 2023. The performance reporting section of this annual report provides a high-level summary of performance linked to the strategic priorities, strategic goals, objectives and indicators contained in Nelson Mandela University's revised Vision 2020. This is followed by more detailed information on the different aspects of the Trust's activities in 2022.

The year under review is the first year the Trust was emerging from the Covid-19 pandemic, lockdown regulations, economic downturn and related factors. Trustees and staff made a concerted effort to mitigate risks posed by this challenging external environment and to fulfil the Trust's mandate. In the latter part of 2021 Trustees adopted a risk mitigation and sustainability strategy which continued to guide management in their resource mobilisation initiatives.

Nelson Mandela University, the Trust and the Nelson Mandela University Investment Company concluded a service level agreement in 2018 clarifying roles and responsibilities of the three parties. This agreement also identifies operational and management support provided to the Trust by the University's Finance Division and the Strategic Resource Mobilisation and Advancement office (SRMA). In terms of this agreement the Trust no longer directly employs staff, but the SRMA undertakes fundraising on behalf of the Trustees.



In addition to clarifying the relationship between the three parties, this arrangement also resulted in considerable savings on operational costs for the Trust.

Total Trust income in 2022 was R103 525 885. Of this, R97 126 498 was funding mobilised in the year under review for bursaries and projects. A total of R97 668 670 in distributions was made to the University.

The spirit of generosity displayed by many private individuals, businesses, government entities and other donors who supported the Trust and University so assiduously in 2022 is appreciated. To them all we owe a big debt of gratitude.

Operating expenses of the Trust in 2022 (direct operating costs plus the pro rata reimbursement of the University for work undertaken on an agency basis) were R6 373 706 (of which R5 393 906 was the agency fee owed to the University for the work done by the SRMA). This is considerably lower than operational costs of R10 016 154 in 2017 before the 2016-17 restructuring of the Trust. This improved cost effectiveness was largely as a result of the restructuring of the Trust and the service level agreement with the University, which provides the human resources on a cost recovery basis for the Trust to undertake fundraising and for financial management services.

**Dr Denver A. Webb**

*Senior Director: Strategic Resource Mobilisation and Advancement*

# Governance

The board of Trustees in 2022 consisted of 10 members for most of the year; and two new members joined: Ambassador Nozipho January-Bardill (Chairperson), Mr Siyabulela Mhlaluka (Deputy Chairperson), Prof Sibongile Muthwa, Dr Derrick Swartz, Mr Eric Ratshikhopha, Mr Donald MacLean, Ms Zola Tshefu, Mr Luvuyo Mosana, Ms René van Wyk, Mr Joe Samuels. Ms Michelle Mbaco and Adv Boitumelo Linchwe-Tlhakung were appointed in the second part of the year. Mr Mhlaluka stepped down as a Trustee.

Six Trustee meetings were held during the year (two were special Trust meetings). Issues requiring decisions

by Trustees between meetings were dealt with by means of round-robin communications. One such round-robin decision, on 1 December, was taken in 2022.

As part of enhancing the alignment with the operations of the University, the risk management for the Trust is included in the risk management activities of the SRMA which is providing operational and management support to the Trust. The risks associated with resource mobilisation are included in the SRMA's risk management activities and included in the overall risk assessment of the University and the SRMA participates in the University's Risk Management Committee.

Name	08 Feb 2022	10 Mar 2022	12 May 2022	7 June 2022	13 Sep 2022	14 Nov 2022
Ambassador Nozipho January-Bardill	✓	✓	✓	✓	✓	✓
Mr Siyabulela Mhlaluka	✓	✓	✓	✓	—	—
Dr Derrick Swartz	x	✓	✓	✓	✓	x
Prof Sibongile Muthwa	✓	✓	✓	✓	✓	✓
Mr Donald MacLean	✓	✓	x	✓	✓	✓
Mr Eric Ratshikhopha	✓	✓	x	✓	✓	x
Ms Zola Tshefu	x	✓	✓	x	x	x
Mr Luvuyo Mosana	x	x	x	✓	x	x
Ms René van Wyk	✓	✓	✓	✓	✓	✓
Mr Joe Samuels	✓	✓	x	✓	✓	✓
Ms Michelle Mbaco	—	—	—	—	—	x
Adv Boitumelo Linchwe-Tlhakung	—	—	—	—	x	✓

Table 1: Attendance at Trust Meetings

# Board of Trustees



Chairperson  
Ambassador Nozipho  
January-Bardill



Deputy Chairperson  
Mr Siya Mhlaluka



Mr Donald MacLean



Mr Luvuyo Mosana



Prof Sibongile Muthwa



Mr Eric Ratshikopha



Mr Joe Samuels



Dr Derrick Swartz



Ms Zola Tshefu



Ms Rene van Wyk



Ms Michelle Mbaco



Adv Boitumelo Linchwe-Tlhakung

# Strategic Priorities and Performance

Within the mandate provided by the Trust Deed, in the year under review the Trust was guided by, and drew inspiration from, the University's revised Vision 2020. The Trust subscribes to the Nelson Mandela University values. In 2022, Nelson Mandela University operated in terms of an updated version of its three-year strategic plan, which was aligned to Vision 2020.

In particular, the Trust contributed to the following strategic priorities, strategic goals and strategic objectives:

Strategic Priority	Strategic Goal	Strategic Objective	Outputs	Indicators	2021 Performance
4: Position Nelson Mandela University as an engaged institution that contributes to a sustainable future through critical scholarship	4.3: Develop and sustain mutually beneficial local, regional and international partnerships that contribute to a sustainable future.	4.3.4: Foster and sustain partnerships with donors, funding organizations and alumni.	<ul style="list-style-type: none"> <li>• Cordial relationships with sponsors established and sustained</li> <li>• Increased number of alumni actively involved in University activities</li> <li>• Established alumni chapters abroad</li> </ul>	<ul style="list-style-type: none"> <li>• No. of partnerships with donors &amp; funding organisations</li> <li>• Rand value of donations and sponsorships from external donors and funding organisations</li> </ul>	<ul style="list-style-type: none"> <li>• 114 partnerships with donors and funders in 2022</li> <li>• A total of R97 126 498 was raised for bursaries and scholarships and projects in 2022</li> </ul>
6: Formulate and implement a financial growth and development strategy to enhance long-term sustainability and competitiveness.	6.2 To grow and diversify income streams to support the attainment of the institutional strategic goals.	<p>6.2.2: Secure more alternative revenue streams to support the attainment of the institutional strategic goals.</p> <p>6.2.3: Mobilise academic units, Nelson Mandela University Trust and Alumni Relations for fund-raising.</p>	<ul style="list-style-type: none"> <li>• Optimised income from 3rd stream revenue</li> </ul>	<ul style="list-style-type: none"> <li>• 3rd stream income as % of total income</li> <li>• 3rd stream income available for central distribution</li> </ul>	<ul style="list-style-type: none"> <li>• In total, Trust income for 2022 before distribution and operating expenses was R103 525 885 (i.e. 15,63% of total University 3rd stream income).</li> <li>• A total of R97 668 670 was distributed to the University in 2022. This includes encumbered donations from external sources distributed to the University.</li> </ul>

**Table 2: Performance against Vision 2020 performance indicators.**

The Nelson Mandela University Trust generally mobilises two main types of resources for the University. Unencumbered funding is raised, which Trustees manage as part of the investment asset and which Trustees disburse to the University strategically; and encumbered funding which is earmarked by the donor for specific purposes. This encumbered funding, intended for specific purposes in terms of conditions of the donation, was disbursed for the stipulated purposes in liaison with the Executive Director: Finance, Financial Aid section, the Research Development Office and various engagement entities. This encumbered funding is mostly directed to bursaries and scholarships, but a significant amount of donation funding is also directed to University engagement projects. A total of R97 668 670 was disbursed to the University.

The introduction of the expanded NSFAS bursary scheme has not removed the necessity to mobilise resources for so-called 'missing middle' undergraduate students and for postgraduate studies. In the year under review, R89 229 713 was mobilised for bursaries and scholarships.

This amount was disbursed by the University Financial Aid section and Research Development to qualifying undergraduate and postgraduate students respectively in support of the University's drive for student access and success. Details are provided in the tables in Figures 4, 5, 6 and 7 below).

In terms of resources mobilised for engagement and other projects contributing to the University being in

the service of society R7 896 785 as mobilised in 2022, as set out in Figures 8, 9, 10 and 11.

In the year under review concerted efforts were made to strengthen collaborative working relationships with Faculties and entities on resource mobilisation. The amount of donations mobilised in 2022 again demonstrated the effectiveness of an integrated approach to resource mobilisation.

## 1. Bursaries and Scholarships

During the year under review a number of individuals, corporates, charitable organisations and public sector institutions generously contributed to the University through the Trust. A total of R89 229 713. was raised for bursaries and scholarships, which benefited 1 421 students (1 175 undergraduate students and 246 postgraduates).

The resources mobilised for bursaries contribute to the transformation of Nelson Mandela University by improving access and providing opportunities for academically deserving students from poor and working class backgrounds who would not otherwise be able to register to obtain quality higher education. Bursary resource mobilisation focuses, in particular, on missing middle students and increasingly on postgraduate students. These bursaries complement the expanded NSFAS scheme. The bursary funding was deployed as follows:

Demographic Profile of Bursary Recipients 2022			
	Male	Female	Total
<b>Black</b>	670	667	<b>1 337</b>
<b>White</b>	50	34	<b>84</b>
<b>Total</b>	<b>720</b>	<b>701</b>	<b>1 421</b>

Table 3: Demographic analysis of bursary recipients.

TRUSTS & FOUNDATIONS						
#	TRUSTS / FOUNDATIONS	UNDERGRADUATE		POSTGRADUATE		Total
		Value	Number of students	Value	Number of students	
1	A	R0.00	-	R43 000.00	1	R43 000.00
2	B	R8 000.00	-	R0.00	-	R8 000.00
3	C	R273 855.25	3	R126 144.75	4	R400 000.00
4	D	R45 000.00	3	R0.00	-	R45 000.00
5	E	R71 510.00	2	R0.00	-	R71 510.00
6	F	R0.00	-	R184 940.00	8	R184 940.00
7	G	R2 211 368.00	17	R88 632.00	1	R2 300 000.00
8	H	R542 769.86	14	R88 227.00	1	R630 996.86

Table 4: Bursary funding from Trusts and Foundations.

TRUSTS & FOUNDATIONS						
#	TRUSTS / FOUNDATIONS	UNDERGRADUATE		POSTGRADUATE		Total
		Value	Number of students	Value	Number of students	
9	I	R0.00	-	R101 329.80	1	R101 329.80
10	J	R0.00	-	R100 000.00	2	R100 000.00
11	K	R146 040.54	6	R36 510.00	1	R182 550.54
		<b>R3 298 543.65</b>	<b>45</b>	<b>R768 783.55</b>	<b>19</b>	<b>R4 067 327.20</b>

Table 4: Bursary funding from Trusts and Foundations (continued).

INDIVIDUALS						
#	INDIVIDUALS	UNDERGRADUATE		POSTGRADUATE		Total
		Value	Number of students	Value	Number of students	
1	A	R2 700.00	-	R0.00	-	R2 700.00
2	B	R100 000.00	1	R0.00	-	R100 000.00
3	C	R750.00	-	R0.00	-	R750.00
		<b>R103 450.00</b>	<b>1</b>	<b>R0.00</b>	<b>0</b>	<b>R103 450.00</b>

Table 5: Bursary funding from Individual Donors.

CORPORATES						
#	NAME	UNDERGRADUATE		POSTGRADUATE		Total
		Value	Number of students	Value	Number of students	
1	A	R1 366 262.65	33	R75 958.31	3	R1 442 220.96
2	B	R30 000.00	1	R30 000.00	1	R60 000.00
3	C	R229 160.00	2	R0.00	-	R229 160.00
4	D	R775 722.85	13	R0.00	-	R775 722.85
5	E	R949 342.72	11	R0.00	-	R949 342.72
6	F	R241 101.65	4	R0.00	-	R241 101.65
7	G	R198 630.09	4	R0.00	-	R198 630.09
8	H	R13 554.78	1	R0.00	-	R13 554.78
9	I	R600 000.00	20	R0.00	-	R600 000.00
10	J	R1 168 910.00	30	R0.00	-	R1 168 910.00
11	K	R103 070.00	2	R0.00	-	R103 070.00
12	L	R1 366 069.50	13	R93 228.57	1	R1 459 298.07
13	M	R0.00	-	R24 760.00	1	R24 760.00
14	N	R93 970.09	2	R0.00	-	R93 970.09
15	O	R1 663 750.00	16	R0.00	-	R1 663 750.00
16	P	R2 400 000.00	30	R0.00	-	R2 400 000.00
17	Q	R442 650.00	5	R112 500.00	1	R555 150.00
18	R	R0.00	-	R530 805.10	3	R530 805.10
19	S	R191 933.00	12	R35 273.00	1	R227 206.00
20	T	R282 422.90	6	R0.00	-	R282 422.90
21	U	R810 000.00	18	R0.00	-	R810 000.00
22	V	R1 800 000.00	22	R0.00	-	R1 800 000.00

Table 6: Bursary funding from Corporates.

CORPORATES						
#	NAME	UNDERGRADUATE		POSTGRADUATE		Total
		Value	Number of students	Value	Number of students	
23	W	R0.00	-	R10 000.00	1	R10 000.00
24	X	R0.00	-	R10 000.00	1	R10 000.00
25	Y	R420 000.00	6	R304 431.28	4	R724 431.28
26	Z	R149 102.27	7	R46 820.00	1	R195 922.27
27	AA	R92 300.00	2	R57 716.63	1	R150 016.63
28	AB	R15 000.00	1	R0.00	-	R15 000.00
29	AC	R326 110.00	7	R0.00	-	R326 110.00
30	AD	R4 843 981.00	71	R0.00	-	R4 843 981.00
31	AE	R6 000.00	1	R0.00	-	R6 000.00
32	AF	R49 182.54	2	R0.00	-	R49 182.54
33	AG	R675 000.00	50	R195 500.00	47	R870 500.00
34	AH	R3 046 486.45	67	R0.00	-	R3 046 486.45
35	AI	R131 770.00	2	R0.00	-	R131 770.00
36	AJ	R0.00	-	R475 000.00	9	R475 000.00
37	AK	R699 345.00	22	R0.00	-	R699 345.00
38	AL	R236 757.25	5	R0.00	-	R236 757.25
39	AM	R0.00	-	R34 000.00	1	R34 000.00
		<b>R25 417 584.74</b>	<b>488</b>	<b>R2 035 992.89</b>	<b>76</b>	<b>R27 453 577.63</b>

Table 6: Bursary funding from Corporates (continued).

PUBLIC						
#	NAME	UNDERGRADUATE		POSTGRADUATE		Total
		Value	Number of students	Value	Number of students	
1	A	R27 580.00	1	R0.00	-	R27 580.00
2	B	R6 547 601.44	13	R1 243 333.33	14	R7 790 934.77
3	C	R105 216.01	11	R0.00	-	R105 216.01
4	D	R316 912.35	4	R618 449.74	10	R935 362.09
5	E	R12 600.00	2	R0.00	-	R12 600.00
6	F	R0.00	-	R20 000.00	1	R20 000.00
7	G	R805 046.26	11	R0.00	-	R805 046.26
8	H	R6 030 976.33	50	R2 579 000.00	30	R8 609 976.33
9	I	R349 283.00	5	R0.00	-	R349 283.00
10	J	R14 236 300.50	109	R17 934.00	2	R14 254 234.50
11	K	R515 228.00	15	R0.00	-	R515 228.00
12	L	R0.00	-	R2 835 810.00	76	R2 835 810.00
13	M	R3 387 531.53	31	R456 588.24	7	R3 844 119.77
14	N	R0.00	-	R100 000.00	1	R100 000.00
15	O	R9 671 564.35	263	R328 435.65	9	R10 000 000.00
16	P	R201 705.00	3	R17 140.00	1	R218 845.00
17	Q	R1 069 020.00	17	R0.00	-	R1 069 020.00
18	R	R6 112 102.71	106	R0.00	-	R6 112 102.71
		<b>R49 388 667.48</b>	<b>641</b>	<b>R8 216 690.96</b>	<b>151</b>	<b>R57 605 358.44</b>

Table 7: Bursary funding from Public Sector.

## 2. Projects

A total of R7 896 785 was raised for the University's engagement and other projects. Details are as follows:

TRUSTS & FOUNDATIONS				
#	NAME	VALUE	FACULTY NAME	PROJECT
1	A	R85 000.00	RD & CM	Academic Awards
2	B	R1 421 000.00	Trust	Unencumbered
3	C	R612 500.00	GMMDU	Maths & Science
4	D	R2 616.19	Trust	Unencumbered
5	E	R250 000.00	Research Drug Development	Department of Biochemistry and Microbiology
6	F	R200 000.00	Faculty of Science	Development of Science and Mathematics Skills Programme
7	G	R200 000.00	Faculty of Education	School Leadership, Community Centredness and Institutional Sustainability Programme
8	H	R13 000.00	-	Grade 12 Exam Preparation
9	I	R25 000.00	Arts and Design	3D equipment
10	J	R200 000.00	RD & CM	Academic Awards
		<b>R3 009 116.19</b>		

Table 8: Project funding from Trusts & Foundations.

INDIVIDUAL DONORS				
#	NAME	VALUE	FACULTY NAME	PROJECT
1	A	R500.00	Mandela Giving Campaign	Alumni My Contribution Fund
2	B	R111 286.71	Alumni Relations	US visit
3	C	R1 200.00	Alumni Relations	Alumni Bursary Fund
4	D	R20.00	Mandela Giving Campaign	Alumni My Contribution Fund
5	E	R2 750.00	Accounting	Prizegiving
6	F	R200.00	Mandela Giving Campaign	Gender Based Violence
7	G	R2 400.00	Alumni Relations	Alumni Bursary Fund
8	H	R1 000.00	Mandela Giving Campaign	Bursaries and Scholarships
9	I	R10 000.00	Alumni Relations	Alumni Bursary Fund
10	J	R1 200.00	Alumni Relations	Alumni Bursary Fund
11	K	R1 000.00	Faculty of Law	Law Awards
12	L	R341 435.17	Trust	Unencumbered
13	M	R428 965.61	Trust	Unencumbered
14	N	R2 000.00	Alumni Relations	Alumni Bursary Fund
15	O	R5 000.00	Faculty of Law	Law Awards
16	P	R1 400.00	Alumni Relations	Alumni Bursary Fund
17	Q	R2 400.00	Alumni Relations	Alumni Bursary Fund
18	R	R100.00	Mandela Giving Campaign	Convergence Fund
19	S	R1 000.00	Mandela Giving Campaign	Gender Based Violence
20	T	R40.00	Trust	Unencumbered
21	U	R300.00	Mandela Giving Campaign	Alumni My Contribution Fund
		<b>R914 197.49</b>		

Table 9: Project funding from Individual Donors.

CORPORATE DONORS				
#	NAME	VALUE	FACULTY NAME	PROJECT
1	A	R2 036.00	Emergency Medical Care	Vasbyt Event
2	B	R1 500.00	Department of Interior Design	Prizegiving
3	C	R900 000.00	Faculty of Health Science	Vehicle
4	D	R5 000.00	Zoology	Research
5	E	R3 000.00	Department of HMS	Passport to Health
6	F	R1 250.00	Faculty of Law	Law Awards
7	G	R300 000.00	Faculty of EBET	Isuzu Chair of Mechatronics
8	H	R380 000.00	Govan Mbeki Maths Development Unit	Mobi Tutor Academy
9	I	R1 000.00	Faculty of Law	Law Awards
10	J	R50 000.00	Department of Physics	Telkom Centre of Excel
11	K	R5 000.00	Faculty of Law	Law Awards
12	L	R75 000.00	Faculty of Science	Conservation Research
13	M	R2 000.00	Faculty of Law	Law Awards
14	N	R1 500.00	Faculty of Law	Law Awards
15	O	R1 725.00	Faculty of Law	Law Awards
16	P	R350 000.00	Trust	Unencumbered
17	Q	R1 493 874.48	Campus Health Clinic	Food parcels
18	R	R50 500.00	Faculty of Law	Law Awards
19	S	R3 320.90	-	My School
20	T	R2 300.84	-	NG Kerk in SA
		<b>R3 629 007.22</b>		

Table 10: Project funding from Corporates.

PUBLIC				
#	NAME	VALUE	FACULTY NAME	PROJECT
1	A	R251 675.00	Govan Mbeki Maths Development Unit	Skills for future
		<b>R251 675.00</b>		

Table 11: Project funding from Public Sector.

# 3. Monitoring and Reporting



One of the Nelson Mandela University Trust's essential tasks is to ensure that funding is allocated according to the terms of the donations and to supply detailed, analytical reports to those funders requiring them.

## a. Reports

The Trust sends reports on the progress of students receiving bursaries to those funders who request them bi-annually.

## b. Donor/Student Sessions

The Trust also organises meet and greet sessions for those funders who wish to meet the recipients of their generosity. In 2022, as the world was slowly recovering from the pandemic, we successfully hosted five donor student sessions.



Goodyear cheque handover, from left: Dr Sibongile Sowazi; Dr Denver Webb, Ms Busisiwe Nzo; Prof Sibongile Muthwa; Mr Manoel Marini de Almeida; Ms Odwa Brukwe; Ms Buyiswa Yaya; Mr Asanda Fongqo and Mr Mujaahid Toyer



TATA Africa Postgraduate Scholarship Handover: Scholarship recipients with TATA Africa representatives, Mr Harneet Luther and Ms Thandeka Hlatswayo and the University staff, Prof Michelle Mey; Ms Buyiswa Yaya; Ms Yolanda Matshoba, Dr Sibongile Sowazi and Mr Imtiaz Khan.

# Our People

In terms of the 2018 service level agreement, the University's Finance Department provided financial management services on a cost recovered basis. The SRMA provided management and operational services for the Trust in 2022, for which the Trust reimbursed the University on a pro rata basis.



**SRMA staff. Back: Dr Oswald Franks, Ms Sheree Gerber, Mr Paul Geswindt, Ms Buyiswa Yaya, Dr Denver Webb and Dr Sibongile Sowazi. Front: Ms Jennilee Bezuidenhout and Ms Yolanda Matshoba.**

# List of Donors

The success the Trust enjoyed in 2022 was only possible because of supporters and donors to whom appreciation is gratefully extended.

## Individuals

J Samuels  
P Beyers  
Singh  
Ahou Linda Aurelie N'dri  
B Rudolph  
B Yephrahe  
Beyers Gideon Joubert  
C Janneker  
D Dos Santos  
D Webb  
Dr Gaya  
H Jeffrey  
Izak David Berg  
J Bernstein  
KM Leat  
M Veldsman  
Paul Geswindt  
R Jonas  
R Nnko  
S Muthwa  
W Kupangwa

## Charitable Organisations

Albert Wessels  
Amadlelo  
Charles & Jessie Hills Trust  
Elca Trust  
Hatch Black Womens Education Trust  
HCI Foundation  
Hillensberg Trust  
Moshal Foundation  
O'Sullivan Foundation  
PA & Alice Malan Trust  
Volkswagen Community Trust  
Albert Wessels Trust  
Cookhouse Windfarm Trust  
HA Kendall Will Trust  
HA Taylor Will Trust  
Rupert Onderwysstiging  
Ikamvelihle Development Trust

## Corporates

Aberdare Cables  
Annette & Gert Schwandner  
Arm Scor  
Aspen  
BEE Chamber: Italtile  
BEE Chamber: Deposita  
BEE Chamber: Abbott  
BEE Chamber: Ilex  
Borbet  
Coca-Cola  
Continental Tyre  
Dell  
Diageo  
Engen  
Ford  
Goodyear  
Heraeus  
JSE Empowerment Fund  
Khula  
Linde & Wiemann  
Link SA  
Liquid Telecom  
Manilal Brewis Attorneys  
MDA Architects  
MDDA  
Naxos Baking Technology  
Peakers Operations  
Pioneer Slots  
Power X  
Rehau Polymer  
Roeleveld Quantity Surveyors  
Rushmere Noach Inc  
SAICA  
Schaeffler  
Sereti Power  
TATA  
Torapa Holdings  
Volkswagen SA  
WAG Chemicals

## **Corporates (continued)**

Be Safe Paramedical  
Belgotex Flooring  
Bestmed  
Bluesky  
East Comms  
Environmental Law Association  
Isuzu  
Karsans Incorporated  
Lambda Test Equipment  
McWilliams & Elliott  
Oppenheimer Generations  
PPS  
Sharon Kotzen Racing  
Spoor & Fisher  
Standard Bank  
Tiger Brands  
Webber Wentzel

## **Public Sector**

Auditor General  
Bankseta  
Cathseta  
CETA  
CHIETA  
Department of Education  
ETDP SETA  
Fasset  
FPM Seta  
HW Seta  
Inseta  
Mictseta  
MQA  
National Dept Sports, Arts, Culture  
Office of the Premier  
Public Investment Corporation  
TETA  
W&R Seta

**NELSON MANDELA UNIVERSITY TRUST**

**Annual Financial Statements  
for the year ended 31 December 2022**

**Nelson Mandela University Trust**  
**Annual Financial Statements for the year ended 31 December 2022**

**Index**

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	Page
General Information	1
Trustees' Statement of Responsibility for the Financial Statements	2
Auditor's Report	3 - 5
Statement of Financial Position	6
Statement of Comprehensive Income	7
Statement of Changes in Capital and Reserves	8
Statement of Cash Flows	9
Notes to the Financial Statements	10 - 23
The following supplementary information does not form part of the annual financial statements and is unaudited	
Supporting Schedules	24 - 25

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**Nelson Mandela University Trust**  
**Annual Financial Statements for the year ended 31 December 2022**

**General Information**

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**General Information**

**Object of the Nelson Mandela University Trust**

It is the object of the Trust to hold, control and administer an Educational Fund as contemplated in sections 10(1)(CA) and 18A (1) (c) (ii) of the Income Tax Act for the purpose and objective of enabling the University to fulfil its tradition of national service through the continued provision of high quality university education with due consideration of the needs within the community in which it exists and the needs of the broader South African society for access to tertiary education.

**Registered and Postal Address**

P O Box 77000  
Gqeberha  
6031

**Trustees**

The Trustees of the Nelson Mandela University Trust are:

Ambassador Nozipho January-Bardill  
Ms Michelle Merle Mbaco (Appointed 29 September 2022)  
Dr Derrick Swartz  
Prof Sibongile Muthwa  
Mr Eric Ratshikhopha  
Ms Zola Baba Tshetu  
Mr Donald MacLean  
Mr Luvuyo Mosana  
Mr Joe Samuels  
Ms Rene van Wyk  
Mr Mhlaluka (Term ended 30 June 2022)  
Adv Boitumelo Thlakung (Appointed 23 June 2022)

**Nelson Mandela University Trust**  
**Annual Financial Statements for the year ended 31 December 2022**

**Trustees' Statement of Responsibility for the Financial Statements**

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The financial statements of the Nelson Mandela University Trust are the responsibility of the Trustees. The Nelson Mandela University provides accounting support to the Trust, including the maintenance of accounting records.

The Trustees fulfil their responsibilities through reliance on the accounting systems and internal controls applied by the Nelson Mandela University and its staff. Such controls provide assurance that the Trust's assets are safeguarded, that transactions are executed in accordance with Trustees' authorisations, and that the financial records are reliable.

The financial statements have been prepared in accordance with International Financial Reporting Standards.

The financial statements for the year ended 31 December 2022 set out on pages 6 to 23 were approved by the Trustees on 21 June 2023 and are signed on their behalf.

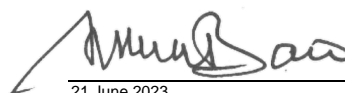


Chairperson

21 June 2023

**Ms Michelle Merle Mbaco**

Trustee



21 June 2023

## Independent Auditor's Report

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### *To the Trustees of Nelson Mandela University Trust*

#### **Opinion**

We have audited the financial statements of Nelson Mandela University Trust set out on pages 06 to 25, which comprise statement of financial position as at 31 December 2022, statement of profit or loss and other comprehensive income, statement of changes in capital reserves and the statement of cash flows for the year ended 31 December 2022 and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, financial statements present fairly, in all material respects, financial position of Nelson Mandela University Trust as at 31 December 2022, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Trust deed.

#### **Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Trust in accordance with the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors* (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Other Matter**

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

The financial statements of Nelson Mandela University Trust for the year ended 31 December 2021, were audited by another auditor who expressed an unqualified opinion on those statements on 30 June 2022.

#### **Other Information**

The Trustees are responsible for the other information. The other information comprises the information included in the document titled "Nelson Mandela University Trust Financial Statements for the year ended 31 December 2022", which includes the Trustees' Statement of Responsibility for the financial statements as required by the Trust Deed. The other information does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not and will not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### ***Responsibilities of the Trustees for the Financial Statements***

The Trustees are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and the requirements of the Trust Deed, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing financial statements, the trustees are responsible for assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Trust or to cease operations, or have no realistic alternative but to do so.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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


As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- Conclude on the appropriateness of the Trustees' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Trust to cease to continue as a going concern.

- Evaluate the overall presentation, structure, and content of financial statements, including the disclosures, and whether financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities to express an opinion on the financial statements. We are responsible for the direction, supervision, and performance of the entity's audit. We remain solely responsible for our audit opinion.

We communicate with the Trustees regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Trustees with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.



**Tarisai Takawira CA(SA)**  
**Sizwe Ntsaluba Gobodo Grant Thornton Inc.**  
**Director**  
**Registered Auditor**  
**IRBA registration number: 481966**

**Date: 06 June 2023**

Chestnut House, Palm Square Business Park  
Bonza Bay Road  
East London  
Eastern Cape

Nelson Mandela University Trust  
Annual Financial Statements for the year ended 31 December 2022

**Statement of Financial Position as at 31 December 2022**

Figures in Rand	Note (s)	2022	2021
<b>ASSETS</b>			
<b>Non - Current Assets</b>			
Investments	2	<u>213 147 331</u>	<u>227 284 469</u>
<b>Current Assets</b>			
Bank and cash balances	3	6 368 643	9 027 598
Other financial assets	4	<u>12 742 114</u>	<u>8 791 722</u>
<b>Total Current Assets</b>		<u>19 110 757</u>	<u>17 819 320</u>
<b>Total Assets</b>		<b><u>232 258 088</u></b>	<b><u>245 103 789</u></b>
<b>FUNDS AND LIABILITIES</b>			
<b>Capital and reserves</b>		<u>222 882 997</u>	<u>220 664 121</u>
<b>Current liabilities</b>			
Other financial liabilities	5	<u>9 375 092</u>	<u>24 439 668</u>
<b>Total funds and liabilities</b>		<b><u>232 258 088</u></b>	<b><u>245 103 789</u></b>

Nelson Mandela University Trust  
Annual Financial Statements for the year ended 31 December 2022

**Statement of Comprehensive Income**

Figures in Rand	Note (s)	2022	2021
<b>Income</b>			
Donations		97 126 498	94 566 511
Donations in cash		95 630 588	93 102 220
Donations in kind		1 495 910	1 464 291
<b>Investment income</b>		6 399 387	7 585 707
Dividends received		3 893 927	5 294 501
Interest received		2 505 460	2 291 206
<b>Income before distributions and operating expenses</b>		<b>103 525 885</b>	<b>102 152 217</b>
<b>Operating expenses</b>		6 373 706	5 430 752
Audit fees		48 012	45 722
Bank charges		5 668	3 239
Consultation and facilitation		2 875	-
Interest expense		167 621	403 250
Investment management fees		755 624	772 871
Management fees	6	5 393 906	4 205 670
<b>Net surplus for the year</b>		<b>97 152 179</b>	<b>96 721 465</b>
Revaluation of investments to market value at year end		2 735 367	35 836 465
<b>Total comprehensive income for the year</b>		<b>99 887 546</b>	<b>132 557 930</b>

**Nelson Mandela University Trust**  
**Annual Financial Statements for the year ended 31 December 2022**

**Statement of Changes in Capital and Reserves**

<b>Figures in Rand</b>	<b>2022</b>	<b>2021</b>
<b>Trust Capital</b>		
Balance at beginning of year	142 345 154	134 546 591
Surplus for the year	97 152 179	96 721 465
Transfer of realised profit on investments from revaluation reserve	14 471 362	11 746 671
Distribution to Nelson Mandela University	<u>668 670</u>	<u>(100 669 574)</u>
Balance at end of year	<u>56 300 025</u>	<u>142 345 154</u>
<b>Revaluation reserve</b>		
Balance at beginning of year	78 318 967	54 229 173
Transfer of realised profit on investments to trust capital	<u>(14 471 362)</u>	<u>(11 746 671)</u>
Revaluation of investments to market value at year end	<u>2 735 367</u>	<u>35 836 465</u>
Balance at end of year	<u>66 582 972</u>	<u>78 318 967</u>
<b>Capital and reserves</b>	<u>222 882 997</u>	<u>220 664 121</u>

Nelson Mandela University Trust  
Annual Financial Statements for the year ended 31 December 2022

**Statement of Cash Flows for the year ended 31 December 2022**

Figures in Rand	Note (s)	2022	2021
<b>Cash flows from operating activities</b>			
Cash generated from operations	8	75 803 441	87 150 922
Distribution to the Nelson Mandela University in cash		(103 116 931)	(109 200 000)
<b>Net cash generated by operations</b>		<b>(27 313 490)</b>	<b>(22 049 078)</b>
<b>Cash flows from investing activities</b>			
Purchase of investments at cost	2	(18 211 311)	(26 315 099)
Proceeds from sale of investments	2	36 466 459	24 579 965
Interest received		2 505 460	2 291 206
Dividends received		3 893 927	5 294 501
<b>Net cash from investing activities</b>		<b>24 654 535</b>	<b>5 850 573</b>
Net increase / (decrease) in cash and cash equivalents		<b>(2 658 955)</b>	<b>(16 198 505)</b>
Cash and cash equivalents at beginning of the year		9 027 598	25 226 103
<b>Cash and cash equivalents at end of the year</b>	3	<b>6 368 643</b>	<b>9 027 598</b>

**Nelson Mandela University Trust**  
**Annual Financial Statements for the year ended 31 December 2022**

**Accounting Policies**

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**1. Summary of significant accounting policies**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

**1.1 Basis of preparation**

The financial statements of the Nelson Mandela University Trust have been prepared in accordance with International Financial Reporting Standards (IFRS). The financial statements have been prepared under the historical cost convention as modified by the revaluation of equity instruments under long term investments which are carried at fair value.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the Trust's accounting policies.

**1.2 Current versus non-current classification**

The Trust presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or

The Trust classifies all other liabilities as non-current.

**1.3 Fair value measurement**

The Trust measures financial instruments such as investment, at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

The principal or the most advantageous market must be accessible by the Trust.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

Accounting Policies

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**1.3 Fair value measurement (continued)**

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Trust uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Trust determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of investments in note 2 of the financial statements.

For the purpose of fair value disclosures, the Trust has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

Fair-value related disclosures for financial instruments and non-financial assets that are measured at fair value or where fair values are disclosed, are summarised in note 2 of the financial statements.

**1.4 Financial instruments - initial recognition and subsequent measurement**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**1.4.1 Financial assets**

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Trust's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Trust has applied the practical expedient, the Trust initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

Accounting Policies

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1.4 Financial instruments - initial recognition and subsequent measurement

1.4.1 Financial assets (continued)

The Trust's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Trust commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments);
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments);
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon de-recognition (equity instruments); and
- Financial assets at fair value through profit or loss.

Financial assets at amortised cost (debt instruments)

The Trust measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Trust's financial assets at amortised cost includes other financial assets, liabilities, fixed deposits and cash on call disclosed in investments.

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Trust can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Trust benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Trust elected to classify irrevocably its listed shares, international assets swaps, gift and bonds and Unit trust in non-current investments under this category.

**Accounting Policies**

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**1.4 Financial instruments - initial recognition and subsequent measurement**

**1.4.1 Financial assets (continued)**

**De-recognition**

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

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

When the Trust has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Trust continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Trust also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Trust has retained.

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

**Impairment of financial assets**

The Trust recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Trust expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL).

For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For debt instruments at fair value through OCI, the Trust applies the low credit risk simplification. At every reporting date, the Trust evaluates whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Trust reassesses the internal credit rating of the debt instrument. In addition, the Trust considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

**Nelson Mandela University Trust**  
**Annual Financial Statements for the year ended 31 December 2022**

**Accounting Policies**

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**1.4 Financial instruments - initial recognition and subsequent measurement**

**1.4.1 Financial assets (continued)**

The Trust's equity instruments at fair value through OCI comprise solely of quoted equity instruments that are graded in the top investment category by the Credit Rating Agency and, therefore, are considered to be low credit risk investments.

The Trust may also consider a financial asset to be in default when internal or external information indicates that the Trust is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Trust. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

**1.4.2 Financial liabilities**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Trust's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

**Subsequent measurement**

The measurement of financial liabilities depends on their classification, as described below:

**Loans and borrowings**

This is the category most relevant to the Trust. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

**De-recognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

**Nelson Mandela University Trust**  
**Annual Financial Statements for the year ended 31 December 2022**

**Accounting Policies**

---

**1.4 Financial instruments - initial recognition and subsequent measurement**

**1.4.2 Financial liabilities (continued)**

**1.5 Cash and short-term deposits**

Cash and short-term deposits in the statement of financial position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value.

**1.6 Foreign currencies**

Significant foreign currency transactions are accounted for at the exchange rates prevailing on the date of the transactions. Gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of profit or loss in the year in which they arise. Such balances are translated at year-end exchange rates.

**1.7 Income**

Income primarily comprises of donations received and investment income and is measured at the fair value of the consideration received or receivable. The Trust recognises Income when the amount of Income can be reliably measured and when a right to receive funds is established , as described below

Donations are recognised either upon receipt or when the right to receive funds is established.

Donations in kind are recognised at the fair value of the goods or services received.

Interest is recognised using the effective interest method.

Dividends are recognised when the right to receive payment is established.

Interest, dividends and other income on assets representing endowment and Trust funds are credited directly to the respective funds and are transferred to income only when legal and other conditions relating to the respective funds are satisfied.

**Nelson Mandela University Trust**  
**Annual Financial Statements for the year ended 31 December 2022**

**Notes to the Annual Financial Statements**

<b>Figures in Rand</b>	<b>2022</b>	<b>2021</b>
<b>2. Investments</b>		
<b>At cost:</b>		
Listed shares	59 351 749	67 643 544
International assets swaps	34 100 161	31 075 869
Gilts and bonds	26 248 936	23 422 444
Fixed deposits	13 935 574	14 215 172
Unit Trust	12 927 390	12 608 471
	<u>146 563 811</u>	<u>148 965 501</u>
<b>At market value:</b>		
Listed shares	78 132 627	91 824 828
International assets swaps	74 324 566	79 101 589
Gilts and bonds	27 630 675	25 078 687
Fixed deposits	13 935 574	14 215 172
Unit Trust	19 123 889	17 064 193
	<u>213 147 331</u>	<u>227 284 469</u>

These investments comprise a managed portfolio owned by the Nelson Mandela University Trust with a fair value of R213 147 331 (2021 : R227 284 469).

With the exception of the international asset swaps held by the Trust, all the investments of the Trust are Rand dominated. The international asset swaps are denominated in US dollars, British pounds.

IFRS 7 requires disclosure of fair value measurements by level in terms of the following hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (LEVEL 1).
- Inputs for fair value measurements, other than quoted prices, that are observable from the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (LEVEL 2).
- Inputs, for fair value measurements from the asset or liability that are not based on observable market data (that is, unobservable inputs) (LEVEL 3).

**Nelson Mandela University Trust**  
**Annual Financial Statements for the year ended 31 December 2022**

**Notes to the Annual Financial Statements**

**Figures in Rand**

**2. Investments (continued)**

The following table presents the Trust's assets that are measured at fair value:

**2022**

**Assets**

	<b>Level 1</b>	<b>Level 2</b>	
Fair value through other comprehensive income			
- Listed shares	78 132 627	-	78 132 627
- International assets swaps	-	74 324 566	74 324 566
- Gilts and bonds	-	27 630 675	27 630 675
- Unit Trust	19 123 889	-	19 123 889
<b>Total</b>	<b>97 256 516</b>	<b>101 955 241</b>	<b>199 211 757</b>
Amortised cost			
- Fixed deposits	13 935 574	-	13 935 574
<b>Total</b>	<b>13 935 574</b>	<b>-</b>	<b>13 935 574</b>
<b>Total assets</b>	<b>111 192 090</b>	<b>101 955 241</b>	<b>213 147 331</b>

**2021**

**Assets**

	<b>Level 1</b>	<b>Level 2</b>	
Fair value through other comprehensive income			
- Listed shares	91 824 828	-	91 824 828
- International assets swaps	-	79 101 589	79 101 589
- Gilts and bonds	-	25 078 687	25 078 687
- Unit Trust	17 064 193	-	17 064 193
<b>Total</b>	<b>108 889 021</b>	<b>104 180 276</b>	<b>213 069 297</b>
Amortised cost			
- Fixed deposits	14 215 172	-	14 215 172
<b>Total</b>	<b>14 215 172</b>	<b>-</b>	<b>14 215 172</b>
<b>Total assets</b>	<b>123 104 193</b>	<b>104 180 276</b>	<b>227 284 469</b>

Notes to the Annual Financial Statements

Figures in Rand

2. Investments (continued)

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing services, or regulatory agency, and those prices represent actual and regularly occurring market transactions made at arm's length. The quoted market price used for financial assets held by the Trust is the current bid price at year end. These instruments are included in level 1.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. The fair value of investments disclosed under level 2 is determined by portfolio managers based on current market indicators.

If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments.
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

3. Bank and cash balances

	2022 R	2021 R
Cash at bank at amortised cost	6 368 643	9 027 598

For the purposes of the cash flow statement, the year-end cash and cash equivalents comprise the following:

Bank balances	6 368 643	9 027 598
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The credit quality of these institutions are as follows:

	2022 R	2021 R
AA+(zaf)(Standard and Poors)	1 630 075	6 042 756
AA+(zaf)(Standard and Poors)	4 738 568	2 984 842
	<u>6 368 643</u>	<u>9 027 598</u>

4. Other financial assets

	2022 R	2021 R
Nelson Mandela University Investment Company (Pty) Ltd	12 742 114	8 791 722

This loan is interest free, unsecured and no repayment terms have been negotiated.

The fair value of the current asset equals the carrying amount, as the impact of discounting is not significant.

Current asset	12 742 114	8 791 722
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**Nelson Mandela University Trust**  
**Annual Financial Statements for the year ended 31 December 2022**

**Notes to the Annual Financial Statements**

**Figures in Rand**

<b>5.</b>	<b>Other financial liabilities</b>	<b>2022</b>	<b>2021</b>
		<b>R</b>	<b>R</b>
	<b>Nelson Mandela University</b>	<u>9 375 092</u>	<u>24 439 668</u>
	This loan bears interest as determined on monthly basis by the Trustees, has no repayment terms and is unsecured. The loan gets repaid partly every month, depending on the availability of funds in the Absa bank account.		
	The fair value of the current liability equals the carrying amount, as the impact of discounting is not significant.		
	Current liability	<u>9 375 092</u>	<u>24 439 668</u>
<b>6.</b>	<b>Management fees</b>	<b>2022</b>	<b>2021</b>
		<b>R</b>	<b>R</b>
	Management fees paid for the SRMA	5 038 250	3 865 326
	Management fees paid to Finance	<u>355 656</u>	<u>340 344</u>
		<u>5 393 906</u>	<u>4 205 670</u>
<b>7.</b>	<b>Commitments</b>		
	The trustees approved by round robin in December 2022 a R5 486 579 loan to the Investment Company for 2023.		
	This amount was confirmed when the Trustees adopted the 2023 budget at an ordinary meeting on 15 March 2023.		
<b>8.</b>	<b>Cash generated from operations</b>	<b>2022</b>	<b>2021</b>
		<b>R</b>	<b>R</b>
	Net surplus for the year before distributions	97 152 179	96 721 465
	Adjustments for non-cash items:		
	- donations in kind	(1 495 910)	(1 464 291)
	- interest expense	167 621	403 250
	- management fee	5 393 906	4 205 670
	- interest income	(2 505 460)	(2 291 206)
	- dividends received	(3 893 927)	(5 294 501)
	Changes in working capital		
	- Nelson Mandela University current account	<u>(19 014 968)</u>	<u>(5 129 465)</u>
		<u>75 803 441</u>	<u>87 150 922</u>

Notes to the Annual Financial Statements

Figures in Rand

9.	Financial instruments by category	Category	2022 R	2021 R
	<b>Assets</b>			
	Investments	Fair value through OCI	199 211 757	213 069 297
	Investments	Amortised cost	13 935 574	14 215 172
	Bank and cash balances	Amortised cost	6 368 643	9 027 598
	Other financial assets	Fair value through Profit & Loss	12 742 114	8 791 722
			<u>232 258 088</u>	<u>245 103 789</u>
	<b>Liabilities</b>			
	Other financial liabilities	Amortised cost	<u>9 375 092</u>	<u>24 439 668</u>

10. Financial risk management

10.1 Financial risk factors

The Trust's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, price risk and interest rate risk), credit risk and liquidity risk. The Trust's overall risk management processes focus on the unpredictability of financial markets and seek to minimise potential adverse effects on the Trust's financial performance.

The Trust's formal risk management policies and procedures are set out in the Report on Risk Exposure Assessment and Management which is prepared annually by the Vice-Chancellor and the Chairperson of the Audit and Risk Committee, for inclusion in the Annual Report to the Minister of Education.

Day to day risk management is the responsibility of all the management and staff of the Trust and is achieved through compliance with the documented policies and procedures of the Trust.

All such policies and procedures are approved by Council or an appropriately mandated sub-committee of Council.

(a) Market risk

(i) Foreign exchange risk

Foreign exchange risk arises from transactions which are denominated in a currency which is not the Trust's functional currency. The Trust has no significant foreign exchange exposure and therefore no formal policy is in place to manage foreign currency risk. The only area where the Trust is exposed to foreign exchange risk at the reporting date is in respect of the non-current investments held by the NMU Trust which include international asset swaps which are exposed to the US dollar and UK pound. The impact of a 5% increase/decrease in exchange rates with all other variables held constant on the valuation of the international asset swaps at reporting date would be R3.716 million (2021: R3.955 million).

(ii) Price risk

The Trust is exposed to equity securities price risk because of investments which are held by the Trust, and classified as available-for-sale investments. The Trust is not exposed to commodity price risk. To manage its price risk arising from investments in equity securities, the Trust diversifies its portfolio. Diversification of the portfolio is done in accordance with limits set by the Board of Trustees of the Nelson Mandela University Trust.

Notes to the Annual Financial Statements

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Figures in Rand

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10. Financial risk management (continued)

At 31 December 2022, if the FTSE/JSE CAPI index increased/decreased by 10%, with all other variables held constant, and all the Trust's equity instruments moved according to the historical correlation with the index, the market value of the listed equities would have been R7.813 million (2021: R9.182million) higher/lower. Due to the unpredictability of equity market returns, a general indicative percentage of 10% is used to highlight the changes in market value on equity investments.

(iii) Interest rate risk

The Trust is exposed to interest rate risk due to its financial assets bearing variable interest rates. Interest rate risk is managed by ensuring that the Trust's assets are invested in accounts which earn the best possible interest rates. The impact of a 1% increase/decrease in the interest rate with all other variables held constant on the comprehensive income of the Trust would be a R236 712 (2021: R72 293) increase/decrease.

(b) Interest rate risk

Potential concentrations of credit risk consist mainly of short-term cash, cash equivalent investments and other receivables. The Trust places its cash and cash equivalents with reputable financial institutions. Refer to note 2 for disclosure of the credit risk.

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability through an adequate amount of committed credit facilities and the ability to close out market positions. Council, through the Finance Committee, and management of the Trust monitor the Trust's liquidity on an ongoing basis, and excess cash is invested in accordance with the Investment Policy of the Trust.

(d) Capital risk management

The capital of the Trust consists of its accumulated funds. The Trust's objectives when managing its capital are to safeguard the ability of the Trust to continue as a going concern and meet its stated objectives (as defined on page 1). This objective is met through careful consideration by the Trustees each year of both the critical strategic objectives of this Trust and the Nelson Mandela University.

11. Related party transactions

The only beneficiary of the Trust is the Nelson Mandela University. The Trust makes distributions and allocations to the University and its Council for specific projects and programmes.

The Nelson Mandela University loan accounts has accrued interest and has no fixed terms of repayment. It is therefore considered repayable on demand. Refer to note 5 for the disclosure of the balance and the terms and conditions.

Notes to the Annual Financial Statements

Figures in Rand

11. Related party transactions (continued)

The Nelson Mandela University Trust is the sole shareholder of the Nelson Mandela University Investment Company (Pty) Ltd. Refer to note 4 for the disclosure of balance and the terms and conditions.

Disclosure of related party transactions

	2022 R	2021 R
Interest paid to Nelson Mandela University	167 621	403 250
Management fees paid to Nelson Mandela University	5 393 906	4 205 670
Distributions made to Nelson Mandela University	97 668 670	100 669 574

12. Consolidation

The Nelson Mandela University Investment Company (Pty) Ltd is wholly owned by the Trust. Nelson Mandela University, which is the sole beneficiary of the Trust, prepares consolidated financial statements, therefore the Trust opted to exercise the IFRS10:4(a) exemption, and not prepare consolidated financial statements.

13. Events after the reporting period

The Trustees are not aware of any matter or circumstances arising since the end of the financial year, which require adjustment or disclosure in these financial statements.

**Nelson Mandela University Trust**  
**Annual Financial Statements for the year ended 31 December 2022**

**Notes to the Annual Financial Statements**

**Figures in Rand**

**14. Interest in Other Entities**

Entity	Relationship	Ownership held by	Financial Results	Principle Activities
Nelson Mandela University Investment Company (Pty) Ltd	The Nelson Mandela University Trust is the sole shareholder	100%	14.1.	Investment Holding company, with interests in Property Development

**14.1. Nelson Mandela University Investment Company (Pty) Ltd**

**Statement of Financial Position as at 31 December 2022**

Figures in Rand	2022	2021
<b>Total Assets</b>		-
<b>Total Equity</b>	(12 785 529)	(8 872 437)
<b>Total Liabilities</b>	12 785 529	8 872 437
<b>Total Equity and Liabilities</b>		

**Statement of Comprehensive Income**

Figures in Rand	2022	2021
Loss for the year	3 913 092	3 198 160

**15. Going concern**

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The ability of the trust to continue as a going concern is dependent on a number of factors. The most significant of these is that the trustees continue to procure funding for the ongoing operations.

# Nelson Mandela University Trust

## Schedule 1 - Distributions to Nelson Mandela University

Figures in Rand	2022	2021
Allocations to Nelson Mandela University Council from Nelson Mandela University Trust Funds		
<b>Disbursements to Nelson Mandela University Council</b>	2 913 889	2 879 456
Contribution to Paleoscience	2 913 889	2 579 456
Centre Community School	-	300 000
<b>Donations from external sources distributed to Nelson Mandela University</b>	94 754 781	97 790 118
Donations in cash	93 258 871	96 325 827
Donations in kind	1 495 910	1 464 291
	97 668 670	100 669 574

**Schedule 2 - Statement of Funds for the year ended 31 December 2022**

Figures in Rand

	General	Student Trust	Trust Capital Campaign	Legacy	Chancellors Fund	Unencumbered Donations	Profit on Share Market	Mandela Giving	Total
	R	R	R	R	R	R			R
Balance at beginning of year	99 009 287	5 624 044	6 969 309	103 761	300 000	6 917 147	23 421 605	-	142 345 154
Surplus / (deficit)	147 789	1 192 602	-	-	-	1 030 126	11 948 130	1 200	14 319 847
Balance at end of year	99 157 076	6 816 647	6 969 309	103 761	300 000	7 947 273	35 369 735	1 200	156 665 002

# Change the World

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