

NELSON MANDELA

UNIVERSITY

Nelson Mandela University Trust

2021

Annual Report



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Foreword

by Chairperson of Nelson Mandela University Trust

This 2021 Annual Report is presented on behalf of the Trustees of the Nelson Mandela University Trust. The year under review, the second year of the worldwide Covid-19 pandemic, continued to be a difficult year for Higher Education Institutions globally and nationally. The pandemic and related social and economic challenges impacted 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 the year Trustees adopted that saw the Trust regain some of the lost ground and come closer to its resource mobilisation targets. 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.

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 2021 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 2021. Your generosity has helped Mandela University to broaden access and provide quality higher education.

Ambassador Nozipho January-Bardill

Chairperson: Nelson Mandela University Trust



The pandemic and related social and economic challenges impacted in different ways, but mitigation measures put in place by Trustees helped to cushion the impact on resource mobilisation.

Management Report


The 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 organisation (PBO number 130003878). Governance is in the hands of ten 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 is being cascaded into the strategic plans and annual performance plans of the various part of the university in 2022. Vision 2030 and its indicators will inform the activities and reporting of the Trust in 2022. 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 2020.

The year under review is the second year the Trust was operating in the context of 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



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.



The spirit of generosity displayed by many private individuals, businesses, government entities and other donors who supported the Trust and University so assiduously in 2021 is appreciated. To them all we owe a big debt of gratitude.

environment and to fulfil the Trust mandate. In the latter part of 2021 Trustees adopted a risk mitigation and sustainability strategy which guided management in their resource mobilisation initiatives.

The 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 support provided to the Trust by the University's Finance Division and the Strategic Resource Mobilisation and Advancement (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 2021 was R102 152 217. Of this, R83 172 442.10 was funding mobilised in the year under review for bursaries and projects. A total of R100 669 574 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 2021 is appreciated. To them all we owe a big debt of gratitude.

Operating expenses of the Trust in 2021 (direct operating costs plus the pro rata reimbursement of the University for work undertaken on an agency basis) were R5 430 752 (of which R4 205 670 was the management fee owed to the University for the work done by the SRMA and Finance. 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 2021 consisted of 11 members: 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 Maureen Manyama stepped down as a Trustee and Ms René van Wyk and Mr Joe Samuels were appointed in the second part of the year.

Five Trustee meetings were held during the year. Issues requiring decisions by Trustees between meetings were dealt with by means of round-robin communications. Two such round-robin decisions, on 31 August and 18 November were taken in 2021.

As part of enhancing alignment with the operations of the University, risk management for the Trust was integrated into the University risk management process.

Several control measures identifying and mitigating risks associated with the operations of the Trust were included in the Nelson Mandela University Risk Register, management of which is overseen by the Audit and Risk Committee (ARC) of the University Council.

In terms of fiduciary responsibilities, Trustees closely monitored the performance of the Trust investments and intervened where necessary.

Name	11 March 2021	6 May 2021	21 June 2021	21 September 2021	4 November 2021
Ambassador Nozipho January-Bardill	✓	✓	x	✓	✓
Mr Siya Mhlaluka	✓	✓	✓	✓	✓
Dr Derrick Swartz	✓	✓	✓	✓	✓
Prof Sibongile Muthwa	✓	✓	✓	✓	✓
Mr Donald MacLean	✓	✓	✓	✓	✓
Mr Eric Ratshikhopha	✓	✓	✓	x	✓
Ms Zola Tshefu	x	✓	x	—	✓
Mr Luvuyo Mosana	x	✓	x	x	x
Ms Maureen Manyama	✓	x	✓	—	—
Ms René van Wyk	—	—	—	—	✓
Mr Joe Samuels	—	—	—	—	✓

Figure 1: Attendance at Trust Meetings

Board of Trustees



Chairperson
Ambassador Nozipho
January-Bardill



Deputy Chairperson
Mr Siya Mhlaluka



Ms Maureen Manyama



Mr Donald McLean



Mr Luvuyo Mosana



Prof Sibongile Muthwa



Mr Eric Ratshikopha



Mr Joe Samuels



Dr Derrick Swartz



Ms Zola Tshefu



Ms René van Wyk

Strategic Priorities and Performance

Within the mandate provided by the Trust Deed, the Trust is guided by, and draws inspiration from, the University's revised Vision 2020. The Trust subscribes to the Nelson Mandela University values. In 2021, Nelson Mandela operated in terms of an updated version of its three-year strategic plan, which is aligned to Vision 2020.

In particular, the Trust contributed to the following strategic priorities, strategic goals and strategic objectives of Vision 2020:

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"> • Cordial relationships with sponsors established and sustained • Increased number of alumni actively involved in University activities • Established alumni chapters abroad 	<ul style="list-style-type: none"> • No. of partnerships with donors & funding organisations • Rand value of donations and sponsorships from external donors and funding organisations 	<ul style="list-style-type: none"> • 145 partnerships with donors and funders in 2021 • R94 566 511 was raised in donations and sponsorships in 2021.
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"> • Optimised income from 3rd stream revenue 	<ul style="list-style-type: none"> • 3rd stream income as % of total income • 3rd stream income available for central distribution 	<ul style="list-style-type: none"> • In total, Trust income for 2021 before distribution and operating expenses was R102 152 217 (i.e. 14.46% of total University 3rd stream income). • A total of R100 669 574 was distributed to the University in 2021. This includes encumbered donations from external sources distributed to the University; as well as R2 637 312.56 for the African Centre for Coastal Palaeosciences.

Figure 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 R100 669 574 was disbursed to the University. This includes R2 637 312.56 disbursed to the University for the African Centre for Coastal Palaeoscience.

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, R83 172 442,10 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 (as set out 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 served of society 10 675 628,62 was mobilised in 2021, 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 2021 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 R83 172 442,10 was raised for bursaries and scholarships, which benefited 1 466 students (1 172 undergraduate students and 294 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 2021			
	Male	Female	Total
African	640	521	1227
Coloured	66	79	145
White	61	69	130
Indian	10	20	30
Total	777	689	1466

Figure 3: Demographic analysis of bursary recipients.

The detailed breakdown bursary resource mobilisation is as follows:

TRUSTS & FOUNDATIONS						
#	TRUSTS / FOUNDATION	UNDERGRADUATE		POSTGRADUATE		Total
		Value	Number of students	Value	Number of students	
1	A	R71 220,00	2	-	-	R71 220,00
2	B	R11 280,00	1	R294 126,20	14	R305 406,20
3	C	R1 739 705,00	20	R60 295,00	1	R1 800 000,00
4	D	R218 893,41	7	R241 106,59	7	R460 000,00
5	E	R280 000,00	9	-	-	R280 000,00
6	F	R810 000,00	18	-	-	R810 000,00

TRUSTS & FOUNDATIONS						
#	TRUSTS / FOUNDATION	UNDERGRADUATE		POSTGRADUATE		Total
		Value	Number of students	Value	Number of students	
7	G	R46 130,40	2	-	-	R46 130,40
8	H	R545 533,32	10	-	-	R545 533,32
9	I	-	-	R100 000,00	2	R100 000,00
10	J	-	-	R100 000,00	2	R100 000,00
11	K	R246 667,00	53	R2 056 857,00	68	R2 303 524,00
12	L	R90 000,00	1	R90 000,00	1	R180 000,00
13	M	R285 240,00	7	R45 677,83	2	R330 917,83
		R4 344 669,13	130	R2 988 062,62	97	R7 332 731,75

Figure 4: Bursary funding from Trusts and Foundations.

INDIVIDUALS						
#	INDIVIDUALS	UNDERGRADUATE		POSTGRADUATE		Total
		Value	Number of students	Value	Number of students	
1	A	R100 000,00	1	-	-	R100 000,00
		R100 000,00	1	R0,00	0	R100 000,00

Figure 5: Bursary funding from Individual Donors.

CORPORATES						
#	NAME	UNDERGRADUATE		POSTGRADUATE		Total
		Value	Number of students	Value	Number of students	
1	A	R2 077 900,00	33	-	-	R2 077 900,00
2	B	R84 000,00	3	-	-	R84 000,00
3	C	R55 000,00	2	-	-	R55 000,00
4	D	R390 283,80	4	-	-	R390 283,80
5	F	R348 060,00	6	-	-	R348 060,00
6	G	R1 155 023,70	28	-	-	R1 155 023,70
7	H	R1 500 000,00	33	-	-	R1 500 000,00
8	I	R1 000 000,00	17	-	-	R1 000 000,00
9	J	R154 540,00	3	-	-	R154 540,00
10	K	R955 693,29	9	-	-	R955 693,29
11	L	R25 140,00	1	R89 150,00	2	R114 290,00
12	M	R169 523,94	4	-	-	R169 523,94
13	N	R1 500 000,00	24	-	-	R1 500 000,00
14	O	R180 000,00	3	-	-	R180 000,00
15	P	R578 084,42	12	R1 058 173,18	7	R1 636 257,60

CORPORATES						
#	NAME	UNDERGRADUATE		POSTGRADUATE		Total
		Value	Number of students	Value	Number of students	
16	Q	-	-	R60 000,00	1	R60 000,00
17	R	R1 700 000,00	20	-	-	R1 700 000,00
18	S	R95 000,00	3	-	-	R95 000,00
19	T	R560 000,00	8	-	-	R560 000,00
20	U	R4 130,00	2	R214 103,40	5	R218 233,40
21	V	R284 930,00	4	-	-	R284 930,00
22	W	R4 841 137,00	89	-	-	R4 841 137,00
23	X	R35 000,00	1	-	-	R35 000,00
24	Y	R1 000 000,00	91	-	-	R1 000 000,00
25	Z	R350 000,00	-	-	-	R350 000,00
26	AA	-	-	R475 000,00	11	R475 000,00
27	AB	R700 000,00	13	-	-	R700 000,00
28	AC	R461 000,00	11	-	-	R461 000,00
29	AD	R519 360,00	12	-	-	R519 360,00
30	AE	R328 091,08	9	-	-	R328 091,08
		R21 051 897,23	445	R1 896 426,58	26	R22 948 323,81

Figure 6: Bursary funding from Corporates.

PUBLIC						
#	NAME	UNDERGRADUATE		POSTGRADUATE		Total
		Value	Number of students	Value	Number of students	
1	A	R8 746 314,55	84	R4 997 894,03	48	R13 744 208,58
2	B	R624 716,04	11	-	-	R624 716,04
3	C	R319 286,21	7	R370 920,00	4	R690 206,21
4	D	R6 320 815,35	129	R166 200,00	3	R6 487 015,35
5	E	R248 943,25	7	-	-	R248 943,25
7	F	-	-	R53 983,00	2	R53 983,00
8	G	R14 610 000,00	146	R219 566,00	7	R14 829 566,00
9	H	R612 005,51	13	-	-	R612 005,51
10	I	R339 147,56	2	-	-	R339 147,56
11	J	-	-	R226 710,00	41	R226 710,00
12	K	-	-	R355 320,00	47	R355 320,00
13	L	R2 539 880,04	27	R574 753,10	7	R3 114 633,14
14	M	R17 000,00	1	-	-	R17 000,00
15	N	R5 000 000,00	94	-	-	R5 000 000,00

PUBLIC						
#	NAME	UNDERGRADUATE		POSTGRADUATE		Total
		Value	Number of students	Value	Number of students	
16	O	R216 426,87	4	R25 603,63	1	R242 030,50
17	P	R2 100 000,00	21	R200 000,00	2	R2 300 000,00
18	Q	R1 772 398,00	20	R397 583,00	9	R2 169 981,00
19	R	R551 487,40	10	-	-	R551 487,40
20	S	R1 184 433,00	20	-	-	R1 184 433,00
		R45 202 853,78	596	R7 588 532,76	171	R52 791 386,54

Figure 7: Bursary funding from Public Sector.

2. Projects

A total of R10 675 628,62 was raised for the University's engagement and other projects, excluding the Mandela University Convergence Fund. Details are as follows:

TRUSTS & FOUNDATIONS				
#	NAME	VALUE	FACULTY NAME	PROJECT
1	A	R100 000,00	Learning Development	SI Programme
2	B	R1 400 600,00	Trust	Unencumbered
3	C	R100 000,00	-	Annual lectures partnership
4	D	R2 550 000,00	Govan Mbeki Maths Development Unit	Maths & Science
5	E	R1 837 500,00	Govan Mbeki Maths Development Unit	Maths & Science Development
6	F	R1 640,74	Trust	Unencumbered
7	G	R270 000,00	Research Drug Development	Department of Biochemistry and Microbiology
8	H	R45 000,00	Faculty of Science	Lion Research Project
9	I	R60 000,00	Faculty of Science	Cheetah Research Project
10	J	R120 000,00	Govan Mbeki Maths Development Unit	Maths & Science
11	K	R25 000,00	Arts and Design	3D equipment
12	L	R2 929,25	Trust	Unencumbered
13	M	R200 000,00	Academic Awards	RCD & CSL
		R6 712 669,99		

Figure 8: Project funding from Trusts & Foundations.

INDIVIDUAL DONORS				
#	NAME	VALUE	FACULTY NAME	PROJECT
1	A	R10 000,00	Emergency Medical Care	
2	B	R2 750,00	Accounting	Prizegiving
3	C	R15 000,00	Govan Mbeki Maths Development Unit	Maths prizes
4	D	R2 400,00	Alumni Relations	Alumni Bursary Fund
5	E	R1 200,00	Alumni Relations	Alumni Bursary Fund

6	F	R1 200,00	Alumni Relations	Alumni Bursary Fund
7	G	R1 800,00	Alumni Relations	Alumni Bursary Fund
9	H	R1 200,00	Alumni Relations	Alumni Bursary Fund
10	I	R1 200,00	Alumni Relations	Alumni Bursary Fund
11	J	R2 400,00	Alumni Relations	Alumni Bursary Fund
12	K	R1 200,00	Alumni Relations	Alumni Bursary Fund
		R40 350,00		

Figure 9: Project Funding from Individual Donors.

CORPORATE DONORS				
#	NAME	VALUE	FACULTY NAME	PROJECT
1	A	R1 500,00	-	Achiever prizes
2	B	R500 000,00	Govan Mbeki Maths Development Unit	Maths & Science
3	C	R8 000,00	Govan Mbeki Maths Development Unit	Maths prizes
4	D	R1 000,00	Passport to Health	Physical Activity
5	E	R3 000,00	Faculty of Law	Law Awards
6	F	R1 250,00	Faculty of Law	Law Awards
7	G	R100 000,00	Govan Mbeki Maths Development Unit	Math Art competition
9	I	R350 000,00	Govan Mbeki Maths Development Unit	Maths & Science Development
10	J	R300 000,00	Faculty of Engineering, the Built Environment & Information Technology	Isuzu Chair of Mechatronics
11	K	R100 000,00	-	Telkom Centre Excel and Sciences
12	L	R3 000,00	Faculty of Law	Law Awards
13	M	R10 000,00	Faculty of Business & Economic Sciences	Prizegiving
14	N	R75 000,00	Faculty of Science	Conservation Research
15	O	R1 500,00	Faculty of Law	Law Awards
16	P	R10 000,00	-	Law Book Licences
17	Q	R1 464 290,85	Campus Health Clinic	Food parcels
		R2 928 540,85		

Figure 10: Project Funding from Corporates

GOVERNMENT				
#	NAME	VALUE	FACULTY NAME	PROJECT
1	A	R156 130,00	Govan Mbeki Maths Development Unit	Masscom Project
2	B	R277 210,80	Govan Mbeki Maths Development Unit	Maths & Sciences
3	C	R260 726,98	-	2020 Academic Support Program
4	D	R300 000,00	Govan Mbeki Maths Development Unit	Life Science Textbooks
		R994 067,78		

Figure 11: Project Funding from Public Sector.

The Mandela University Convergence Fund was launched in April 2020 as part of the University's response to socioeconomic challenges experienced by communities as a result of the Covid-19 the pandemic, lockdown and economic downturn. In effect it is a solidarity fund for the University family (staff, students alumni and supporters) to contribute to addressing hardship and deprivation in communities in which the University is located.

CONVERGENCE FUND	
Category	Amount
Individuals	R15 403,00
Trusts/Foundations	R5 000,00
Corporates	R20 000,00
TOTAL	R 40 403,00

Figure 12: Summary of Mandela University Convergence Fund Donations

The utilisation of the funds was managed by the Engagement and Transformation Portfolio in

partnership with credible civil society organisations. Full reports on this can be found at www.mandela.ac.za/News-andEvents/Coronavirus-Information/Convergence-Fund.

3. Monitoring and Reporting

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

a. Reports

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

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 2021, in line with the pandemic risk adjusted strategy, virtual meet and greet sessions were held with donors who wished to have them. Those donor functions that were arranged with student beneficiaries were held virtually.



A maths and science engagement, information sharing and teacher training workshop was conducted in Cala. The event was attended by Nelson Mandela University, iKamvelihle Development Trust, teachers from selected schools and the managers of the Department of Basic Education. The Cala Schools Project is part of an engagement collaboration between the University, iKamva Development Trust and the Eastern Cape Department of Basic Education to improve leadership and the quality of STEM teaching and learning in secondary schools in the region.



Hubs of Convergence and Ikhala Trust supported soup kitchens and supplied the Moeggesukkel informal settlement community in Kariega with seedlings and other inputs to grow food.

Human Capital

In terms of the 2018 service level agreement entered University's Finance Department provided financial into by the Trust, the University and the Nelson Mandela management services on a cost recovery basis. The costs University Investment Company, staff in the SRMA for these services in 2021 were calculated on a pro rata undertook fundraising on behalf of the Trust and the basis, for which the Trust reimbursed the University.



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 2021 was only possible because of supporters and donors to whom appreciation is gratefully extended.

Individuals

A Potgieter
A Tele
A Van Zyl
B McGuire
B Ross
B Rudolph
B Yaya
BG Joubert
BP Damons
D Dos Santos
DA Webb
DM Schael
EMA Scheckle
EN Ngonzi
F Potgieter
GJ Saunders
H Jeffrey
JH Senekal
JK Mabangwa
JLS Staple
K Matiso
KM Matthews
L Best
L Biggs
M Hardy-Berrington
M Scheckter
MBV Swarts
N Karamdeo
N Mzilikazi
O Franks
P Geswindt
R Jonas
RA Levendal

S Gerber
S Heleta
S Ngxabazi
Santhoshini
Scheckle
T Hilmer

Corporates

Aberdare Cables
Alpha Omega
Annette & Gert Schwandner
Armescor
Aspen Pharmacare
BEE Chamber
Belgotex Flooring
BK Administrators
Borbet SA
Coca Cola Beverages SA
Continental
Dell
Des Group
Diageo
DSY Projects
Edward Nathan Sonn Inc
Engen
Environmental Law Association
Ford
Fresenius Kabi
Gamma Edu Technologies
Isuzu
Khula
Lambda Test Equipment
Lepogo Lodge
Liquid Telecoms

Masivuyisane training
McWilliams
MDDA
Multichoice
Old Mutual
Oppenheimer Generations
Peakers Operations
Rehau Polymers
Rushmere Noach
SAICA
SDPS
Spoor & Fisher
Standard Bank of SA
TATA
Tigerbrands

Charitable Organisations

ABE Bailey Trust
Albert Wessels Trust
Arch Magoba Trust
Arch Magoba Trust
Capitec Foundation
Charles and Jessie Hills Trust
Cookhouse Windfarm Trust
HA Kendall Will Trust
HA Taylor Trust
Hatch Black Women Edu Trust
HCI Foundation
Hillensberg Trust
Linde & Wiemann
Link SA Trust
Mapula Trust
Milde Mc Williams Trust
Moshal Foundation

Outlook Foundation
PA Alize Malan Trust
PA Alize Malan Trust
PH du Toit Gedenkfonds
Raymond Uren Trust
Rupert Onderwysstigting
Thuthuka
Upstream Trust
Volkswagen Community Trust

Public Sector

Bankseta
Cathseta
CETA
Chieta
EW Seta
FASSET
Foodbev
HW SETA
IDC
INSETA
JSE Empowerment Fund
MERSETA
Mictseta
MQA
North West University
NYDA
Office of the Premier
Public Investment Corporation
Public universities of SA
Services Seta
TETA
Walter Sisulu University
WR Seta

NELSON MANDELA UNIVERSITY TRUST

**Annual Financial Statements
for the year ended 31 December 2021**

Nelson Mandela University Trust
Annual Financial Statements for the year ended 31 December 2021

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Nelson Mandela University Trust
Annual Financial Statements for the year ended 31 December 2021

General Information

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	
Mr Siyabulela Mhialuka	
Dr Derrick Swartz	
Prof Sibongile Muthwa	
Mr Eric Ratshikhopha	
Ms Maureen Manyama	Term expired - 20 June 2021
Ms Zola Baba Tshefu	
Mr Donald MacLean	
Mr Luvuyo Mosana	
Mr Joe Samuels	Appointed 1 July 2021
Ms Rene van Wyk	Appointed 1 July 2021

Nelson Mandela University Trust
Annual Financial Statements for the year ended 31 December 2021

Trustees' Statement of Responsibility for the Financial Statements

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 2021 set out on pages 6 to 22 were approved by the Trustees on 7 June 2022 and are signed on their behalf.


Chairperson

07 June 2022


Trustee

07 June 2022

Nelson Mandela University Trust
Annual Financial Statements for the year ended 31 December 2021

Statement of Financial Position as at 31 December 2021

Figures in Rand	Note (s)	2021	2020
ASSETS			
Non - Current Assets			
Investments	2	227 284 469	197 531 373
Current Assets			
Bank and cash balances	3	9 027 598	25 226 103
Other financial assets	4	8 791 722	5 631 799
Total Current Assets		17 819 320	30 857 903
Total Assets		245 103 789	228 389 276
FUNDS AND LIABILITIES			
Capital and reserves		220 664 121	188 775 765
Current liabilities			
Other financial liabilities	5	24 439 668	39 613 512
Total funds and liabilities		245 103 789	228 389 276

INDEPENDENT AUDITOR'S REPORT

To the Trustees of Nelson Mandela University Trust

Opinion

We have audited the financial statements of Nelson Mandela University Trust set out on pages 6 to 22, which comprise the statement of financial position as at 31 December 2021, and the statement of comprehensive income, statement of changes in capital and reserves and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Nelson Mandela University Trust as at 31 December 2021, 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 Information

The trustees are responsible for the other information. The other information comprises the information included in the document titled "Nelson Mandela University Trust Annual Financial Statements for the year ended 31 December 2021" which includes the Trustee's 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 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, 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 determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the Trust or to cease operations, or has 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 the 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 on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism 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 the 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 the 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 the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

Nexia SAB&T

Nexia SAB&T

J S du Toit CA (SA)

Director

Registered Auditor

28 June 2022

Nelson Mandela University Trust
Annual Financial Statements for the year ended 31 December 2021

Statement of Comprehensive Income

Figures in Rand	Note (s)	2021	2020
Income			
Donations		94 566 511	93 264 287
Donations in cash		93 102 220	90 983 908
Donations in kind		1 464 291	2 280 379
Investment Income		7 585 707	3 999 695
Dividends received		5 294 501	1 335 881
Interest received		2 291 206	2 663 814
Income before distributions and operating expenses		102 152 217	97 263 982
Operating expenses		5 430 752	6 011 045
Audit fees		45 722	41 262
Bank charges		3 239	3 266
Interest expense		403 250	1 035 951
Investment management fees		772 871	688 867
Management fees	6	4 205 670	4 241 699
Net surplus for the year		96 721 465	91 252 937
Other comprehensive Income		-	-
Revaluation of investments to market value at year end		35 836 465	12 351 467
Total comprehensive Income for the year		132 557 930	103 604 404

Nelson Mandela University Trust
Annual Financial Statements for the year ended 31 December 2021

Statement of Changes in Capital and Reserves

Figures In Rand	2021	2020
Trust Capital		
Balance at beginning of year	134 548 591	128 272 525
Surplus for the year	96 721 485	91 252 936
Transfer of realised profit on investments from revaluation reserve	11 746 671	4 220 303
Distribution to Nelson Mandela University	(100 669 574)	(89 199 173)
Balance at end of year	142 345 154	134 548 591
Revaluation reserve		
Balance at beginning of year	54 229 173	46 098 009
Transfer of realised profit on investments to trust capital	(11 746 671)	(4 220 303)
Revaluation of investments to market value at year end	35 836 465	12 351 467
Balance at end of year	78 318 967	54 229 173
Capital and reserves	220 664 121	188 775 765

Nelson Mandela University Trust
Annual Financial Statements for the year ended 31 December 2021

Statement of Cash Flows for the year ended 31 December 2021

Figures in Rand	Note (s)	2021	2020
Cash flows from operating activities			
Cash generated from operations	8	87 150 922	68 036 784
Distribution to the Nelson Mandela University in cash		(109 200 000)	(30 029 378)
Net cash generated by operations		(22 049 078)	38 007 406
Cash flows from investing activities			
Purchase of investments at cost	2	(26 315 099)	(29 114 771)
Proceeds from sale of investments	2	24 579 965	9 530 678
Interest received		2 291 206	2 663 814
Dividends received		5 294 501	1 335 881
Net cash from investing activities		5 850 573	(15 584 398)
Net increase / (decrease) in cash and cash equivalents		(16 198 505)	22 423 007
Cash and cash equivalents at beginning of the year		25 226 103	2 803 096
Cash and cash equivalents at end of the year	3	9 027 598	25 226 103

Nelson Mandela University Trust
Annual Financial Statements for the year ended 31 December 2021

Accounting Policies

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;

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.

Nelson Mandela University Trust
Annual Financial Statements for the year ended 31 December 2021

Accounting Policies

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

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.

Nelson Mandela University Trust
Annual Financial Statements for the year ended 31 December 2021

Accounting Policies

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.

Nelson Mandela University Trust
Annual Financial Statements for the year ended 31 December 2021

Accounting Policies

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 2021

Accounting Policies

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 2021

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 Revenue recognition

Revenue primarily comprises of donations received and investment income and is measured at the fair value of the consideration received or receivable. The Trust recognises revenue when the amount of revenue can be reliably measured, when it is probable that the future economic benefits will flow to the entity and when specific criteria have been met for each of the Trust's activities, 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 2021

Notes to the Annual Financial Statements

Figures in Rand	2021	2020
2. Investments		
At cost:		
Listed shares	67 643 544	61 956 233
International assets swaps	31 075 869	31 787 929
Gilts and bonds	23 422 444	23 526 224
Fixed deposits	14 215 172	16 031 812
Unit Trust	12 608 471	10 000 000
	<u>148 965 501</u>	<u>143 302 198</u>
At market value:		
Listed shares	91 824 828	78 863 705
International assets swaps	79 101 589	67 084 910
Gilts and bonds	25 078 687	24 797 536
Fixed deposits	14 215 172	16 031 812
Unit Trust	17 064 193	10 743 410
	<u>227 284 469</u>	<u>197 531 373</u>

These investments comprise a managed portfolio owned by the Nelson Mandela University Trust with a fair value of R227 284 469 (2020 : R197 531 373).

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 2021

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:

2021

Assets	Level 1	Level 2	
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
Total	108 889 021	104 180 276	213 069 297
Amortised cost			
- Fixed deposits	14 215 172		14 215 172
Total	14 215 172	-	14 215 172
Total assets	123 104 193	104 180 276	227 284 469

2020

Assets	Level 1	Level 2	
Fair value through other comprehensive income			
- Listed shares	78 863 705		78 863 705
- International assets swaps	-	67 094 910	67 094 910
- Gilts and bonds	-	24 797 536	24 797 536
- Unit Trust	10 743 410	-	10 743 410
Total	89 607 115	91 892 446	181 499 561
Amortised cost			
- Fixed deposits	16 031 812		16 031 812
Total	16 031 812	-	16 031 812
Total assets	105 638 927	91 892 446	197 531 373

Nelson Mandela University Trust
Annual Financial Statements for the year ended 31 December 2021

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

	2021 R	2020 R
Cash at bank at amortised cost	9 027 598	25 226 103

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

Bank balances	9 027 598	25 226 103
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The credit quality of these institutions are as follows:

	2021 R	2020 R	
AA+(zaf)(Standard and Poors)	6 042 756	23 000 615	za.AA+ (Standard and Poors)
AA+(zaf)(Standard and Poors)	2 984 842	2 225 489	AA (Fitch)
	9 027 598	25 226 103	



4. Other financial assets

	2021 R	2020 R
Nelson Mandela University Investment Company (Pty) Ltd	8 791 722	5 631 799

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	8 791 722	5 631 799
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Nelson Mandela University Trust
Annual Financial Statements for the year ended 31 December 2021

Notes to the Annual Financial Statements

Figures in Rand

5. Other financial liabilities		
	2021	2020
	R	R
Nelson Mandela University	24 439 668	39 613 512
This loan bears interest as determined on monthly basis by the Trustees, has no repayment terms and is unsecured.		
The fair value of the current liability equals the carrying amount, as the impact of discounting is not significant.		
Current liability	24 439 668	39 613 512
6. Management fees		
	2021	2020
	R	R
Management fees paid for the SRMA	3 865 326	3 912 227
Management fees paid to Finance	340 344	329 472
	4 205 670	4 241 699
7. Commitments		
At an ordinary meeting of the Trust on 11 March 2021, the Trustees agreed to make a distributions to the Nelson Mandela University of R3 210 000 in respect of the Palaeoscience project for the 2022 financial year.		
At an ordinary meeting of the Trust on 11 March 2021, the Trustees agreed to provide a loan of R3 695 000 to the Nelson Mandela University Investment Company (Pty) Ltd for the 2022 year.		
Both of these amounts were confirmed when the Trustees adopted the 2022 budget at an ordinary meeting on 10 March 2022.		
8. Cash generated from operations		
	2021	2020
	R	R
Net surplus for the year before distributions	96 721 465	91 252 936
Adjustments for non-cash items:		
- donations in kind	(1 464 291)	(2 280 379)
- interest expense	403 250	1 035 951
- management fee	4 205 670	4 241 699
- interest income	(2 291 206)	(2 663 814)
- dividends received	(5 294 501)	(1 335 881)
Changes in working capital		
- Nelson Mandela University current account	(5 129 465)	(22 213 728)
	87 150 922	68 036 784

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9. Financial instruments by category

	Category	2021 R	2020 R
Assets			
Investments	Fair value through OCI	213 069 297	181 499 561
Investments	Amortised cost	14 215 172	16 031 812
Bank and cash balances	Amortised cost	9 027 598	25 226 103
Other financial assets	Amortised cost	8 791 722	5 631 799
		<u>245 103 789</u>	<u>228 389 276</u>
Liabilities			
Other financial liabilities	Amortised cost	24 439 668	39 613 512

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 R3.955 million (2020: R3.355 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.

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10. Financial risk management (continued)

At 31 December 2021, 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 R9.182 million (2020: R7.866million) 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 R72 293 (2020: R72 762) 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.

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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

	2021 R	2020 R
Interest paid to Nelson Mandela University	403 250	1 035 951
Management fees paid to Nelson Mandela University	4 205 670	4 241 689
Distributions made to Nelson Mandela University	100 669 574	89 199 173

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

One of the challenges that was identified in 2021 is the difference between the financial years of the SETAs and the Trust's financial year and the delays from some SETAs in paying bursaries they have committed to provide. Agreements were concluded in 2021 for bursary funding for an additional R21 498 974, but these were not paid in 2021 and will carry over into 2022. This is a matter that we will be taking up with the relevant SETAs.

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14. Interest in Other Entities

Entity	Relationship	Ownership held by the University	Financial Results	Principal 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 2021

Figures in Rand	2021	2020 restated
Total Assets	-	112 000
Total Equity	(8 836 197)	(8 836 977)
Total Liabilities	8 836 137	8 748 977
Total Equity and Liabilities	-	112 000

Statement of Comprehensive Income

Figures in Rand	2021	2020
Loss for the year	3 196 160	4 239 876

Nelson Mandela University Trust

Schedule 1 - Distributions to Nelson Mandela University

Figures in Rand	2021	2020
Allocations to Nelson Mandela University Council from Nelson Mandela University Trust Funds		
Disbursements to Nelson Mandela University Council	2 879 456	2 488 227
Trust Contribution International Office	-	150 000
Contribution to Paleoscience	2 579 456	2 338 227
Centre Community School	300 000	-
Donations from external sources distributed to Nelson Mandela University	97 790 118	86 710 946
Donations in cash	96 325 827	84 430 567
Donations in kind	1 464 291	2 280 379
	100 669 574	89 199 173

Nelson Mandela University Trust

Schedule 2 - Statement of Funds for the year ended 31 December 2021

Figures In Rand

	General	Student Trust	Trust Capital Campaign	Legacy	Chancellors Fund	Unencumbered Donations	Profit on Share Market	Total
	R	R	R	R	R	R		R
Balance at beginning of year	101 470 921	7 408 844	6 969 309	103 761	300 000	5 893 566	12 400 083	134 546 584
Surplus / (deficit)	(2 461 634)	(1 784 901)	-	-	-	1 023 581	11 021 522	7 798 569
Balance at end of year	99 009 287	5 624 044	6 969 309	103 761	300 000	6 917 147	23 421 605	142 345 154

Change the World

W srmo.mandela.ac.za/Nelson-Mandela-University-Trust
E Jennilee.Bezuidenhout@mandela.ac.za
T 041 504 2228

PO Box 77000
Nelson Mandela University
Gqeberha, 6031, South Africa



mandela.ac.za