



UNIVERSITY OF
KWAZULU-NATAL™
INYUVESI
YAKWAZULU-NATALI



ANNUAL REPORT

2025

INSPIRING GREATNESS

TABLE OF CONTENTS

	Page
Report of the Chair of Council	3 – 7
Members of Council and Council Committees	8 – 10
Performance Assessment Report	11 – 21
Council Statement on Corporate Governance	22 – 39
Report of the Senate to Council	40 – 64
Report of the Institutional Forum	65
Vice-Chancellor's Report on Management and Administration	66 – 75
Report of the Audit and Risk Committee	76 – 79
Annual Financial Review	80 – 85
Consolidated Financial Statements	86 – 157

REPORT OF THE CHAIR OF COUNCIL

The University of KwaZulu-Natal (UKZN) Council, subject to the Higher Education Act (Act 101 of 1997, as amended) and the University Statute (2nd Ed. 7 March 2012. GG No. 35124), governs the University. Council carries out its functions as regulated in the Statute.

The Higher Education sector as a whole is characterised by declining public resources and volatility; growing competition from private higher education providers; an ever increasing demand for access to higher education, more especially to Public Higher Education Institutions where funding is available through the National Student Financial Aid Scheme (NSFAS); shifting labour-market expectations; ongoing threats and demands in terms of University resources with growing malfeasance, and heightened scrutiny of institutional governance. Against this backdrop, the University's ongoing renewal endeavour, Project Renewal, is positioned as the central mechanism through which UKZN is intent on restoring academic coherence, reigniting operational discipline and ethical behaviour, and rebuilding stakeholder confidence to protect and ensure the long-term viability of the academic project.

Three critical documents that encapsulate the strategic intent of the University are its decadal Strategic Plan (2023–2032), the UKZN Turn-Around Strategy approved by Council in mid-2025, and the Council-endorsed and DHET-approved 2026–2030 Enrolment Plan.

The five pillars of the UKZN 2023-2032 Strategic Plan continue to guide efforts in the multi-year strategic renewal endeavour. They are:

- Excellence in Teaching and Learning
- An Excellent Student Experience
- Excellent High Impact Research, Innovation and Entrepreneurship
- High Impact Societal and Stakeholder Community Engagement
- Targeted Internationalisation

The University remains committed to the highest level of corporate governance as well as the principles of accountability, responsibility, discipline, transparency, independence, fairness and social responsibility as advocated in the King IV Report on Corporate Governance. Council therefore recognises the need to conduct the business of UKZN with integrity, within applicable legal strictures and in accordance with generally accepted governance principles and practices, including in its guardianship role in relation to public money and trust funds administered by the University.

The composition of Council complies with the Act and Statute, and the roles of the elected Chairperson and Vice-Chairperson, both external independent Council members, and separate from those of the Vice-Chancellor and Principal.

Following the publication of the King V™ Code on Corporate Governance on 31 October 2025, Council initiated the review of its Committee Chapters and drafting of its Governance Manual. Both projects will be concluded in 2026.

Statutory returns made to the Department of Higher Education and Training, after approval by Council, included the 2024 Council Governance Indicators Score Card; the 2024 Annual Report; the mid-year Performance Report for the 2025 Annual Performance Plan; the 2026 Annual Performance Plan; and the Enrolment Plan (2026–2030). While receipt of each submission was acknowledged, none of the submissions has necessitated further input from the institution.

The detailed Council Statement on Corporate Governance as well as the officers and members of Council, are reported in detail in subsequent parts in this Annual Report.

Senate, in turn, is responsible for maintaining the University's academic integrity. It is also accountable to Council for all teaching, learning, research and academic functions of the University as well as any other functions delegated to or assigned to it by Council. Senate is supported by its Committees of Senate, and other Statutory committees at College and School level, and serves as the nexus between the academic community, Council and Senior Management.

With the structural reorganisation of the Academic Schools (approved by Council in 2024) formally undertaken during this reporting year, the Charter of Senate underwent a process of review, and the revised version was approved by Council at its 23 June 2025 sitting. The Senate membership includes a suitably qualified Council member. The Charter review process included reviewing the charters of all academic committees reporting to the Senate and subsequently approving them within their respective hierarchical structure. Details of the Senate deliberations are included in a subsequent section of this Annual Report.

Management's overarching assessment, endorsed by Council in fulfilling its oversight role, is that UKZN has moved beyond investigation and diagnosis of the issues and challenges. These are known and clearly documented. UKZN is now firmly committed to implementation through the UKZN Turnaround Strategy, which spans 2025 to 2028. The resolve to embed the renewal is evidenced in the numerous undertakings concluded in 2025 as a start.

This year (2025) saw the system-based reorganisation of Schools (reduced from 19 to 10) and the reallocation or confirmation of the 2025 student cohort to their appropriate School by their registered qualification, finalised after conclusion of the Semester 1:2025 examinations, but before the start of Semester 2:2025. The 10 Deans and Heads of Schools, as well as the senior School administrative staff, have been formally appointed and assumed full academic decision-making authority, marking a major shift to clearer academic accountability.

The successful hosting of the September 2025 graduation season, as well as the successful conclusion of the year-end examinations and the release of final results within the new structure, are clear evidence of this undertaking's success. Cross-functional coordinated planning is also well advanced to ensure a successful 2026 Registration period, where students will be admitted to their appropriate School. The 2025 Registration period was a notable institutional achievement as the University reached its undergraduate enrolment targets within two weeks of opening registration, including meeting its Science, Technology, Engineering, Mathematics (STEM) enrolment target, despite the higher entry requirements in these programmes. Council will be briefed early in the new year as admissions and registrations 2026 get underway and expects nothing less in 2026. With Council recommending the 2026–2030 Enrolment Plan to DHET for approval, admissions in 2026 will be guided by intake plans judiciously developed in each School, as informed by the enrolment strategy.

Council has acknowledged that the challenge for UKZN in a rapidly changing world is to focus on strengthening its position as a distinctive institution of learning, embracing more flexible, interdisciplinary and collaborative approaches to research, teaching and transfer activities across the University, while strengthening the Institution's capacity to deliver full degree programmes, including advanced graduate study and conducting quality research.

However, issues of grave concern for Council encountered during 2025 included the deferral of a portion of the 2025 DHET block grant subsidy to 2026, the non-receipt of two significant National Student Financial Aid Scheme (NSFAS) payments, and ongoing ambiguity regarding the NSFAS close-out undertaking. Disrupted planning and complex forecasting will likely strain cash flow through the first half of 2026. These liquidity constraints will necessitate difficult trade-offs between immediate operational continuity and long-term strategic goals. These negative shifts in the financial landscape, risk undermining the Institution's ability to sustain its academic and infrastructural renewal trajectory, the erosion of stakeholder confidence and diminished competitiveness. Council fully supported Executive Management's ongoing engagement with relevant parties in ongoing efforts to resolve these issues.

With the guidance and oversight of the Council and its Finance committee, a range of interventions continue to be implemented under Project Renewal to strengthen the University's short-term financial viability and the long-term sustainability of the academic project, with an ongoing focus on sound financial management practices and responsible stewardship.

UKZN's Council-approved sustainability strategy aims to ensure that its institutional, managerial, administrative, academic and financial structures are fit for purpose; configured optimally; capable of balancing both growth and consolidation, and capable of ensuring the long-term financial viability of the Institution.

The University, however, remains a going concern, and the Unrestricted Council Controlled Funds budget, as well as the Student Residence Funds budget for the 2026 financial year, were approved by Council at its December 2025 sitting.

Guided by the Council-approved Enterprise Risk Management (ERM) Policy and supported by the ERM Framework and Methodology, standards for the consistent identification, assessment, and monitoring of risk across all levels of the institution have been established. Council considered the 2026 Institutional Risk Register at its December 2025 sitting, acknowledging that the submission reflected the University's current priority risks, assessed in alignment with the University's Risk Appetite Statement. The 2026 Risk Profile has been incorporated into the 2026 Annual Performance Plan (as approved by Council and submitted to DHET) to support integrated planning, strengthen mitigation efforts and inform institutional decision-making.

With the current challenges, such as rising stakeholder demands, reduced funding, infrastructure backlogs and heightened stakeholder demands, the strategic focus of Council, together with management, is centred on following a disciplined, programme-based strategy prioritising inclusivity, safety and sustainability. Success in this endeavour is dependent on a collective commitment and internal collaboration, while fostering external trust and consciously building UKZN's reputation and competitiveness.

With the full support of Council, UKZN's focus therefore remains on consolidating its position as an internationally recognised research-intensive Public Higher Education Institution. The University continues to stand as a leader in Higher Education transformation, while safeguarding its commitment to excellence. The Institution is also dedicated to producing graduates of the highest calibre, while addressing societal needs and repositioning for long-term sustainability in keeping with its vision, mission, goals, objectives and values.

In conclusion, I express my appreciation to all Council members, external members with appropriate expertise on Committees of Council, the Vice-Chancellor and Principal, Professor Nana Poku, and the leadership of UKZN for their sustained contributions in 2025 and encourage them to continue with their dedicated service to propel the Institution further on its upward trajectory.



Ms K Mthimunya
CHAIR OF COUNCIL

OFFICERS AND MEMBERS OF COUNCIL

Analysis of Membership by Category and Representation on Committees of Council as at 31 December 2025

NAME/CATEGORY OF MEMBERSHIP		COMMITTEES OF COUNCIL							ANALYSIS OF ATTENDANCE AT COUNCIL MEETINGS FOR THE YEAR ENDED DECEMBER 2025				%
Council		ARC	CMC	EXCO	FIN	HRC	REM	SAC	Mar	June	Sep	Dec	%
Ms K Mthimunye (Chair of Council)	1		✓	✓	✓		✓	✓	P	P	P	P	100%
Professor N Poku (Vice Chancellor and Principal)	2	✓	✓	✓	✓	✓	✓	✓	P	P	P	P	100%
Professor C Aldous	3								P	P	P	P	100%
Professor G Amery	3								P	P	P	P	100%
Mr B Dlamini	3								P	P	P	P	100%
Mr M Dlamini	3								P	P	P	P	100%
Dr M Hay	1						✓		P	P		P	100%
Judge J Henriques	1		✓			ALT		✓	P	P	Ap	P	75%
Professor N Koorbanally	7				ALT				P	P	P	P	100%
Dr A Johnson	1								P	Ap	P	P	75%
Mr M Kumalo	6	ALT							P	P	P	P	100%
Ms J Madavo	1					✓			P	P	P	P	100%
Ms E Maepa	1	✓				✓		✓	Ap	P	P	P	75%
Mr M Maimane	1			✓		✓	✓	✓	P	P	P	P	100%
Ms B Majazi	4											P	100%
Adv HM Maroun	4								P	P	P	P	100%
Professor N Mkhize	2								P	P	P	P	100%
Mr TW Mkhize	6						ALT		P	P	P	P	100%
Dr Q Mlita	6				✓				P	P	P	P	100%
Mr S Mlondo	5								P	P	P		100%
Adv M Moerane	1		✓						P	P	Ap	P	75%
Dr LM Moja	4				✓				P	Ap	P	P	75%
Mr N Motsatse	1			✓	✓		✓		P	P	P	P	100%
Professor T Msibi	2								P	P	P	P	100%
Professor S Mutula	7				✓				P	P	P	P	100%
Mr A Ngcongo	5											P	100%
Ms T Njozela	4		✓		ALT				P	P	P	P	100%
Dr M Sibanda	1	✓		✓				✓	P	P	P	P	100%
Dr M Tong (Vice-Chair of Council)	4		✓	✓			✓	✓	P	P	P	P	100%
Mr K Thusi	5											P	100%
Mr T Tsotetsi	5								P	P	P		100%
Mr A Young	1	✓							P	P			100%
TOTAL ATTENDANCE									28	27	25	29	
TOTAL MEMBERSHIP									29	29	27	29	
OVERALL ATTENDANCE as a % of maximum possible									97%	93%	93%	100%	

KEY CATEGORIES OF MEMBERSHIP	KEY TO COMMITTEES OF COUNCIL	KEY TO ATTENDANCE
(1) Council Appointed member (Non-Executive)	ARC Audit & Risk Committee	Not a Council Member during the highlighted period
(2) Executive Management representative	CMC Council Membership Committee	P Present
(3) Employee Representative	EXCO Executive Committee of Council	AP Apologies for non-attendance
(4) Ministerial Appointee (Non-Executive)	FIN Finance Committee	A Absent without apology
(5) SRC Executive Appointee	HRC Human Resource Committee	- Alternate not required
(6) Convocation Representative	REM Remuneration Committee	
(7) Senate Representative	SAC Senior Appointments Committee	
	ALT Alternate member	

OFFICERS AND MEMBERS OF COUNCIL

Analysis of Attendance at Council Committee Meetings for the year ended 31 December 2025

Audit & Risk Committee (6)						
2025	Mar	June	June (Joint)	Sep	Nov	%
Dr M Sibanda (Member of Council and Chair)	P	P	P	P	P	100%
Ms E Maepa (Member of Council)	P	Ap	P	P	P	80%
Mr A Young (Member of Council)	P	P	P			100%
Mr M Kumalo (Alternate Member of Council)	-	-	-	P	P	100%
Ms CK Louw(as External member with expertise)	P	P	P	P	P	100%
Mr S Shabalala (as External member with expertise)	P	P	Ap	Ap	P	60%
Professor N Poku (ex officio)	P	P	P	P	P	100%
Total Attendance (%)	100%	83%	83%	83%	100%	

Council Membership Committee (6)		
2025	Sep	%
Ms K Mthimunye (Chair of Council and Chair)	P	100%
Professor N Poku (Vice-Vhancellor)	P	100%
Judge J Henriques (Member of Council)	P	100%
Adv M Moerane (Member of Council)	P	100%
Ms T Njozela (Member of Council)	P	100%
Dr M Tong (Member of Council)	P	100%
Total Attendance (%)	100%	

Executive Committee of Council (6)					
2025	Feb	Mar	Jun	Oct	%
Ms K Mthimunye (Chair of Council and Chair)	P	P	P	P	100%
Dr M Tong (Vice-Chair of Council and Chair of REMCO)	Ap	P	P	P	75%
Mr M Maimane (Chair of HRC)	P	P	P	P	100%
Mr N Motsatse (Chair of FINCOM)	P	Ap	P	P	75%
Dr M Sibanda (Chair of ARC)	P	P	P	P	100%
Professor N Poku (Vice-Chancellor)	P	P	P	P	100%
Total Attendance (%)	83%	83%	100%	100%	

Finance Committee (11)						
2025	Mar	Jun	Jun (Joint)	Sep	Nov	%
Mr N Motsatse (Member of Council and Chair)	P	P	Ap	P	P	80%
Ms K Mthimunye (Chair of Council)	P	Ap	P	P	Ap	60%
Dr LM Moja (Member of Council)	P	P	Ap	P	P	80%
Dr Q Mlita (Member of Council)	P	P	P	A	P	80%
Ms T Njozela (Alternate Member of Council)	-	-	-	-	-	-
Ms N Nkonyeni (External member with expertise)	P	Ap	P	P	P	80%
Mr S Cele (External member with expertise)	P	P	P	P	P	100%
Ms P Motsielwa (External member with expertise)	P	P	Ap	P	P	80%
Professor N Poku (Vice-Chancellor)	P	P	P	P	P	100%
Ms N Mbhele (Chief Finance Officer)	P	P	P	P	P	100%
Professor N Mkhize (Executive Management Rep)	Ap	P	P	P	Ap	60%
Professor S Mutula (Academic/Senate representative on Council)	P	P	P	P	P	100%
Professor N Koorbanally (Alternate Academic/Senate representative on Council)	-	-	-	-	-	-
Total Attendance (%)	91%	82%	73%	91%	82%	

Human Resources Committee (9)					
2025	Mar	Jun	Sep	Nov	%
Mr M Maimane (Member of Council and Chair)	P	P	P	P	100%
Ms J Madavo (Member of Council)	P	P	Ap	P	75%
Ms E Maepa (Member of Council)	P	P	P	P	100%
Judge J Henriques (Alternate member of Council)	-	-	-	-	-
Mr SP Lunga (External member with expertise)				P	100%
Ms P Maphoshe (External member with expertise)	P	P	P	P	100%
Ms M Umlaw (as External member with expertise)	P	P	P	P	100%
Professor B Ncama (DVC appointed by Executive Management)	P	P	P	P	100%
Professor N Poku (ex officio)	P	P	P	P	100%
Adv P Finden (ex officio)	P	P	P	P	100%
Vacant (Representative of the Convocation Executive)	-	-	-	-	-
Total Attendance (%)	100%	100%	87%	100%	

Remuneration Committee (8)				
2025	Jun	Sep	Nov	%
Dr M Tong (Vice-Chair of Council and Chair)	P	P	P	100%
Ms K Mthimunye (Chair of Council)	P	P	P	100%
Dr M Hay (Member of Council)	P			100%
Mr M Maimane (Chair of HRC)	P	P	P	100%
Mr N Motsatse (Chair of FINCOM)	P	P	P	100%
Professor N Poku (Vice-Chancellor)	P	P	P	100%
Adv P Finden (Executive Director: HR)	P	P	P	100%
Professor D Spurrett (Senate representative)	P	P	P	100%
Professor N Chetty (Alternate Senate representative)	-	-	-	-
Mr T Mkhize (Alternate Council member)	P	-	P	100%
Total Attendance (%)	100%	88%	100%	

Senior Appointments Committee (12)				
2025	07-Jun	23-Aug	13-Sep	%
Ms K Mthimunye (Chair of Council)	P	P	P	100%
Dr M Tong (Vice-Chair of Council and Chair)	P	P	P	100%
Professor N Poku (Vice-Chancellor)	P	P	P	100%
Judge J Henriques (Member of Council)	P	P	P	100%
Ms E Maepa (Member of Council)	Ap	P	P	67%
Mr M Maimane (Chair of HRC)	P	P	P	100%
Dr M Sibanda (Member of Council)	P	Ap	P	67%
Adv P Finden (Executive Director: HR)	P	P	P	100%
Mr M Mdluli (Institutional Forum Rep)	P	Ap	P	67%
Mr T Mkhize (Convocation Rep)	P	P	P	100%
Ms T Sibisi (Union Rep)	P	P	P	100%
Mr S Mlondo (Student Rep)	Ap	P	P	67%
Total Attendance (%)	83%	83%	100%	

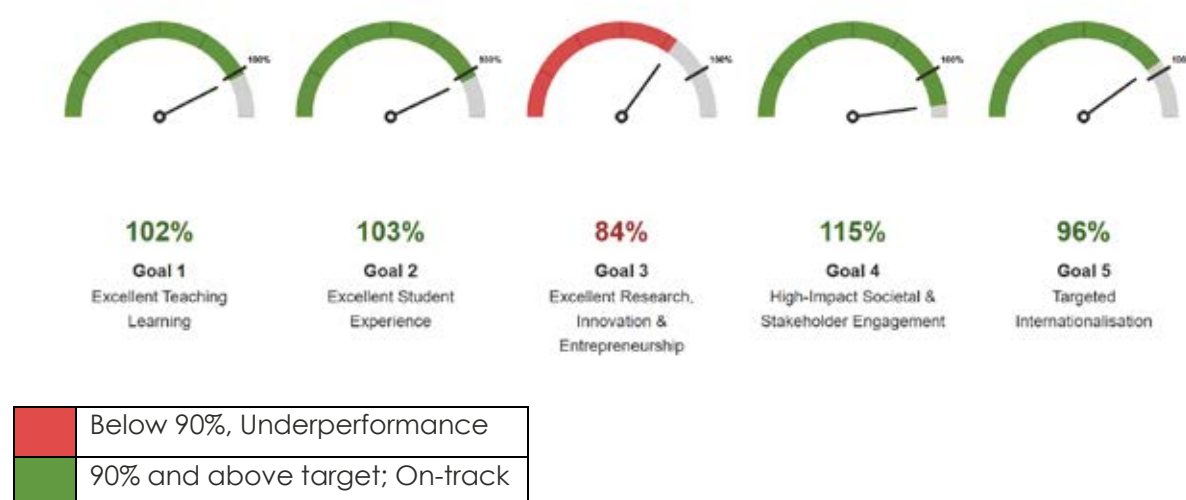
OTHER OFFICE BEARERS (in attendance at Council)
Dr K Cleland (Registrar)
Ms Nontuthuko Mbhele (Chief Finance Officer)
Ms Prem Chetty (Head Of Committees)
Ms Normah Zondo (ED:Corporate Relations)

KEY TO ATTENDANCE	
	Not a Committee Member during the highlighted period
P	Present
AP	Apologies for non-attendance
A	Absent without apology
-	Alternate not required

PERFORMANCE ASSESSMENT REPORT 2025

The 2025 reporting year marks the third year of implementation of the University of KwaZulu-Natal's Strategic Plan 2023–2032 and the closing year of the enrolment planning cycle 2020 - 2025. Institutional performance in 2025 was measured across the five strategic goals and reflects strong results observed in student retention, academic advising, community engagement, industry partnerships, and growth in the permanent academic staff complement. Sustained progress was also evident in undergraduate success indicators and in selected scarce-skills graduate outputs. At the same time, several indicators relating to postgraduate enrolment and throughput, research productivity, research funding generation, and international student enrolments remained below target and continue to require focused institutional attention. Figure 1 provides a high-level summary of institutional performance across the University's five strategic goals in 2025. The figure indicates that while Goal 3 reflected underperformance, overall performance were on track across Goals 1, 2, 4 and 5.

Figure 1. Strategic Performance at a glance



Progress towards targets in the Annual Performance Plan (2025)

Table 1 presents a consolidated overview of the University of KwaZulu-Natal's performance against its predetermined objectives for 2025, reflecting actual performance relative to the annual planned targets for 18 key performance indicators across the University's five strategic goals.

Table 1. Overview of UKZN performance against targets for pre-determined objectives in 2025.

Predetermined Objectives	Key Performance Indicator	Actual 2024	Target 2025	Actual 2025	Performance Score
Goal 1: Excellent Teaching and Learning					102%
To attract high-achiever students into UG programmes	Conversion ratio of KZN undergraduate applicants with admission point scores greater than or equal to 36 points	34%	35%	30%	95%
To maintain a high student retention rate	Retention rate of first-time entering undergraduates in year (n-1) pursuing their studies in the subsequent year (n)*	94%	95%	95%	100%
To improve student success and throughput	Proportion of undergraduate degree graduates completing in minimum time	56%	60%	59%	99%
To increase the number of academic staff	Number of full-time permanent academic staff (new indicator)	1178	1190	1349	113%
Goal 2: Excellent Student Experience					103%
To provide support for overall student health and well-being	Percentage of students satisfied with UKZN counselling services as reported in the student satisfaction survey (new)	-	60%	62,7%	103%
	Percentage of undergraduate students satisfied with academic advising services as reported in the student satisfaction survey (new)	-	60%	79,5%	120%
To recognise and reward academic excellence	Number of students awarded scholarships (new)	1757	2250	1957	87%
Goal 3: Excellent Research, Innovation and Entrepreneurship					84%
To support growth in research productivity	Number of research publications	2344,4	2827	2096,16	74%
To increase UKZN's citation impact	Average citation score per UKZN-affiliated publication, as measured by Elsevier Scopus (new)	-	23	19,4	84%
To support Doctoral students time to completion	PhD graduation rate	15%	17%	14%	97%
To enhance research capacity by attracting grant funding	Total amount of research funding generated annually.	-	R618,0 m	R508,2 m	82%

Goal 4: High Impact Societal and Stakeholder Community							115%
To strengthen relationships with stakeholders through frequent community engagements		Number of community outreach projects (new)	-	40	40	100%	
		Number of webinars and public lectures (new)	-	100	106	106%	
		Number of strategic partnerships with industry (new)	-	105	145	138%	
Goal 5: Targeted Internationalisation							96%
To strengthen UKZN's international profile by attracting international students and staff		Proportion of international students (stretch)	2%	8%	3%	95%	
		Proportion of international academic staff	14%	15%	13%	98%	
To strengthen UKZN's diversity by attracting students from all parts of the world		Number of countries reported by students as country of citizenship (excludes RSA) (new)	42	55	41	75%	
To increase the number of international partnerships		Number of Memoranda of Understanding (MOUs) with international institutions	32	30	35	117%	

Footnote to Table 1:

Sector evidence shows that renewal of research indicators requires a three- to five-year horizon before measurable gains appear. Performance depends on the number and quality of research-active academics, institutional culture, and support systems. National benchmarks (DHET outputs, NRF ratings, postgraduate throughput) consistently reflect this lag. At UKZN, a formal research strategy is being developed for the first time, with active recruitment to replace retired and departed staff. Years of underinvestment mean that rebuilding capacity will take sustained effort before improvements are visible.

Goal 1: Excellent Teaching and Learning

Performance under Goal 1 was generally positive in 2025, with the overall performance score of **102%** indicating that the University remained on track in relation to its teaching and learning objectives. Strong and stable performance was recorded in student retention and in the growth of the permanent academic staff complement, while undergraduate success in minimum time improved relative to 2024 and remained close to target. Although the conversion ratio of high-achieving undergraduate applicants (30%) fell below the annual target (35%), the result must be understood in the context of growing demand from academically strong applicants and enrolment capacity constraints.

Another contributing factor is that mathematics performance requirements for entry into many of UKZN's qualifications may further limit conversion among applicants from KwaZulu-Natal who met the overall APS threshold but do not satisfy subject-specific prerequisites. The University is strengthening coordinated engagements in student recruitment to ensure that top-performing learners are timeously informed of UKZN's programme offerings and scholarship opportunities.

The retention rate of first-time entering undergraduate degree students was on target at 95%. This result measures the proportion of first-year students who remained registered at UKZN in the subsequent academic year. The stability of this result across multiple years reflects the continued strengthening of institutional support structures for first-year transition, including academic monitoring, psychosocial support services, and the institutionalisation of the First-Year Experience Programme through rule BR10 in 2025.

The proportion of undergraduate graduates completing their degrees in minimum time improved from 56% in 2024 to 59% in 2025. The University continues to invest in academic development support and early intervention programmes to assist students in progressing through their qualifications within prescribed timeframes.

The institutional capacity supporting teaching and learning also strengthened during the year. The number of permanent academic staff reached 1349 against a target of 1190, representing a significant increase from 1178 in 2024. Academic recruitment processes are characteristically extended, requiring candidates to complete formal selection processes and serve contractual notice periods before taking up an appointment. The 2025 result (exceeding the target by 13%) therefore, reflects the culmination of recruitment activity initiated in earlier years.

Overall, the results for Goal 1 reflect continued institutional progress in strengthening the conditions that support teaching quality, student persistence and academic success.

Goal 2: Excellent Student Experience

Performance under Goal 2 was positive overall in 2025, with an overall performance score of **103%** indicating that the University remained on track in relation to its student experience objectives and continues to strengthen the quality of the student experience through support, advising and recognition mechanisms that contribute to student health and wellbeing.

Strong performance was recorded in undergraduate student satisfaction with counselling and support services, student satisfaction with student support services, encompassing counselling, health, housing, library, and career services, reached 62.7% against a target of 60%, indicating that students engaging with these services rated their experience positively. Student

satisfaction with academic advising reached 79.5%, substantially exceeding the target of 60% and reflecting continued institutional investment in the accessibility and quality of advising support. The University has been supporting staff to complete the Academic Advising Professional Development Short Learning Programme to strengthen advisor capacity across colleges through training in advising theory, student engagement, ethics and advising technologies.

The number of students awarded scholarships reached 1 957 against a target of 2 250, reflecting continued year-on-year growth from the 1 757 recorded in 2024. The shortfall against target is largely attributable to lower postgraduate enrolment, which reduces the pool of scholarship-eligible students. The University is strengthening coordinated engagements across different divisions such as Corporate Relations, Colleges, the Research office, and Student funding to ensure that high-performing students are informed of and encouraged to apply for scholarship opportunities.

Goal 3: Excellent Research, Innovation, and Entrepreneurship

Performance under Goal 3 reflected ongoing institutional challenges in 2025, with an overall performance score of **84%** indicating underperformance against the University's research, innovation and entrepreneurship objectives. All four indicators under this goal fell below target, with the largest shortfalls recorded in research publication output and research funding generated. Citation impact and doctoral graduation rates also remained below planned levels. While these results reflect a constrained funding and research context, they also highlight the need for sustained institutional attention to strengthening research productivity, postgraduate throughput, and grant generation capacity. Overall, the results indicate that Goal 3 is an area requiring focused strategic intervention.

DHET approved research publication units reached 2 096 against a target of 2 827, continuing a decline from 2 344 in 2024. The University has a significant cohort of early career researchers who are still developing the publication profile, collaborative networks and supervisory experience required for sustained research output. Expanding the contribution of this cohort remains a strategic priority. To support this, the University provided targeted writing and publication workshops through the University Capacity Development Programme and expanded mentorship initiatives across colleges to support researchers through the publication process. These interventions are intended to strengthen the long-term publication pipeline and broaden the base of active contributors to research output. In addition, Senate approved the Support Strategy for Early Career Academics in 2025 with plans to provide targeted research support and visibility.

The average citation score per UKZN-affiliated publication reached 19,4 against a target of 23. The indicator is calculated using a five-year rolling window with a one-year lag, reflecting citations accumulated on publications over a defined preceding period. The result reflects the ongoing challenge of increasing the volume of high-impact publications that attract strong citation rates across UKZN's research disciplines. The University continues to support researchers in targeting high-impact publication outlets through mentorship and publication development initiatives that complement broader efforts to increase research output volume.

These research productivity challenges are reflected in doctoral throughput and research funding indicators. The doctoral graduation rate at 14% against a target of 17%, was slightly below the rate recorded in 2024 (15%). The result suggests continuing throughput pressures within the doctoral pipeline, potentially linked to factors such as supervision capacity, funding continuity, and extended completion periods associated with doctoral study. To this end Senate approved the Doctoral training programme which is intended to enhance the quality of doctoral education and support doctoral throughput at UKZN.

Research funding generated reached R508.2 million against a target of R618 million, representing a shortfall of R99.8 million. A significant portion of this shortfall is attributable to the suspension of NIH funding and PEPFAR-linked HIV research grants by the United States government during 2025, which affected research income across South African universities dependent on these programmes. These cuts occurred within a broader environment of increased competition for a constrained global grant pool, compounding funding pressures. Partially offsetting these losses, the University recorded an increase in statutory grant income during the year and received supplementary institutional support to partially compensate for the NIH funding reduction. The strategic framework for research, approved in 2025, outlines an enhanced enabling role for the research office in supporting innovation and entrepreneurship, internationalisation, and localised support for grant development and postgraduate research. Furthermore, in 2025 a task team was set up to review research-related policies.

Goal 4: High Impact Societal and Stakeholder Community Engagement

Performance under Goal 4 was strong in 2025, with an overall performance score of **115%** indicating that the University exceeded its targets in relation to societal and stakeholder engagement. Community outreach activity met its annual target, while the number of webinars and public lectures exceeded expectations, reflecting sustained public and stakeholder engagement across a range of themes. Particularly strong performance was recorded in the number of strategic partnerships with industry, which substantially surpassed the annual target and signals the University's growing reach within the broader employment, innovation and community ecosystem. Overall, the results reflect continued institutional

strength in community engagement, knowledge exchange, and stakeholder partnership development.

The number of community outreach projects met the target of 40 projects during the year. Engagement activities focused primarily on school outreach, rural development, public health awareness, and inclusive access initiatives. These activities included STEM and career-oriented engagement with schools, community-based agricultural support programmes, public health awareness initiatives, and interventions supporting accessibility and inclusion for students and communities.

Active throughout the year, the number of webinars, public lectures, conferences, and symposia reached 106 against a target of 100, reflecting the breadth of UKZN's engagement with stakeholder communities. Themes included public health and wellbeing, arts and culture, scientific scholarship, public policy dialogue, and student development. Through these activities, the University maintained an active role in knowledge exchange and public discourse within KwaZulu-Natal and beyond.

UKZN made significant progress in strengthening industry partnerships in 2025 by recording 145 partnerships against a target of 105. These partnerships and engagements span industry, government, professional bodies, international organisations, community-based entities and NGOs demonstrating UKZN's commitment to impactful engagement, innovation, and societal relevance through our Memoranda of Understanding with these organisations. Strategic collaborations with government and public sector entities further deepened UKZN's societal impact.

Notable partnerships across the four colleges include the KwaZulu-Natal Department of Economic Development, Tourism and Environmental Affairs (EDTEA) which supports regional and local economic development initiatives, and renewed agreements with COGTA for leadership and governance programmes. Training initiatives with the Departments of Health, Correctional Services and Social Services, Umgeni Water Services, eThekweni Municipality, etc. expanded UKZN's reach by creating internship opportunities and alternative career pathways for graduates, while also addressing pressing social issues such as gender-based violence, health and wellness, cyberbullying, access to justice and poverty alleviation. Industry-linked research, executive education, student internships and experiential learning opportunities also feature prominently.

Several industry partners commissioned research on key societal themes, enhancing UKZN's research profile and positioning the institution as a thought leader in engineering, health, law,

banking and finance etc. These partnerships strengthen UKZN's role in industry-focused education, supporting curriculum innovation, revenue diversification, and long-term sustainability. Additional industry engagement included sponsorships from various organisations for academic conferences, student funding, guest lectures and graduate placement programmes etc. reinforcing collaboration and deepening community engagement efforts.

Goal 5: Targeted Internationalisation

Performance under Goal 5 was positive in 2025, with an overall performance score of **96%**, but the underlying results point to an uneven pattern of progress across the internationalisation portfolio. Performance was strongest in the area of international partnerships, where the number of Memoranda of Understanding exceeded the target, indicating continued success in expanding UKZN's formal global engagement footprint. The proportion of international academic staff remained relatively stable (13% in 2024) and close to target (15%), indicating that the University has maintained its international academic profile despite a constrained higher education environment.

By contrast, international students represented 3% of total headcount enrolment against a target of 8% and the number of countries represented in the student body was 41 against a target of 55 in 2025, indicating that the University's international reach is not yet translating into sufficient recruitment depth or diversification. This may be attributed in part to delays in the processing of visas and study permits by the Department of Home Affairs (DHA). Notwithstanding, the divergence between the growth in international partnerships and student diversification suggests that these formal international agreements are not yet yielding commensurate gains in enrolment outcomes.

Overall, the results indicate that UKZN has continued to strengthen the structural foundations of internationalisation, particularly through partnerships and staff profile stability, but that more targeted strategies are required to convert these foundations into stronger international student recruitment and a broader global student footprint.

DHET Enrolment and Efficiency Targets 2025

Table 2 presents a consolidated overview of the University's achievement against the approved enrolment and efficiency targets for 2025, showing actual performance relative to annual targets across key enrolment, success and efficiency indicators in the University's DHET-approved Enrolment Plan (EP 2020-2025).

Table 2. Achievement against Enrolment Plan (2020-2025)

Key Performance Indicators	Actual 2024	Target 2025	Actual 2025
Enrolment Indicators			
Headcounts			
First-time entering undergraduates	9 198	8 655	8 898
Total UG headcount enrolment	35 723	34 128	36 243
Total PG headcount enrolment	10 841	12 730	11 098
Total headcount enrolment (including occasional students)	46 625	47 005	47 385
Foundation provisioning programmes – 1 st year intake	1 467	1 160	1 303
Proportion of Enrolments in Each Major Field of Study			
Science, Engineering, Technology	39%	40%	40%
Business/Management	13%	17%	13%
Education	16%	16%	17%
Other Humanities	32%	27%	30%
Success Indicators			
Graduate headcount by qualification type			
Total undergraduate graduate headcount	5 951	8 191	7 332
Total postgraduate graduate headcount	3 597	4667	3 723
Graduate headcount - Doctoral	421	510	427
Graduate headcount - Masters	974	1 341	1 012
Graduation rate UG	17%	24%	20%
Graduation rate PG:			
• Postgraduate to Masters level	64%	68%	65%
• Masters	21%	24%	22%
• Doctors	15%	17%	14%
Success rate UG	84%	90%	87%
UG Graduates by scarce skills			
Engineering	214	352	207
Life and physical sciences	673	1 059	866
Animal and human health (split):			
- Animal	10	7	22
- Human health	736	807	686

Key Performance Indicators	Actual 2024	Target 2025	Actual 2025
Teacher education (<i>includes B.Ed & PGCE</i>)	1 402	2 010	1 921
Efficiency Indicators			
Instructional/research professional staff			
Percent of staff with Doctoral degree	64%	64%	60%
Percent of staff with Masters degree	28%	30%	27%
Number of nGap staff	29	27	25
Ratio of FTE students to FTE instructional/research staff	21,6	19,8	22,3
Ratio of research outputs to permanent academic staff	3,4	3,52	3,48
Total publication units	2344,4	2827	2096,16

The 2025 enrolment and efficiency data reflect overall performance broadly in line with approved targets. In 2025 UKZN enrolled a total headcount of 47 385 against a target of 47 005 (1% above the target). Undergraduate enrolments at 36 243 exceeded its 34 128 target (by 6%), while postgraduate enrolment at 11 098 fell short of the 12 730 target (-13%). As the University closes the EP 2020-2025 cycle, addressing this imbalance is a key feature given targeted attention in the next enrolment planning cycle (EP 2026-2030).

First-time entering undergraduates reached 8 898 against a target of 8 655, reflecting continued strong demand for admission to UKZN's undergraduate programmes. Foundation provisioning intake reached 1 303 against a target of 1 160, reflecting the University's commitment to broadening access via extended curricula programmes.

The field-of-study proportions held broadly stable. SET enrolment met its 40% target exactly, Education enrolment at 17% exceeded its 16% target, and Business and Management at 13% remained below the 17% target. Other Humanities at 30% remained above its 27% target. Rebalancing the field-of-study mix toward approved targeted proportions, particularly in Business and Management and Humanities are being addressed in the next EP 2026-2030 cycle.

On the success side, the undergraduate graduation rate of 20% in 2025 improved from 17% in 2024, moving in the right direction against a 24% target and reflecting the cumulative effect of academic support investments under Goal 1. The undergraduate success rate of 87% similarly improved from 84% in 2024 against a 90% target. Total undergraduate graduates reached 7 332 against a target of 8 191, an improvement from 5 951 in 2024. Among scarce skills graduate outputs, teacher education graduates at 1 921 against a target of 2 010 held

close to target, representing UKZN's most consistent contribution to the national professional graduate pipeline. Life and physical sciences graduates at 866 against a target of 1 059 showed meaningful improvement from 673 in 2024. Engineering graduates at 207 against a target of 352 continued to fall below target, reflecting enrolment and throughput challenges in SET disciplines that remain areas requiring focused intervention. Human health graduates at 686, against a target of 807, fell below both the target and the 736 recorded in 2024.

Postgraduate graduation results reflect continuing challenges in doctoral and Masters throughput. The doctoral graduation rate reached 14% against a target of 17%, slightly below the 15% recorded in 2024. Total doctoral graduates of 427 against a target of 510 represent a shortfall with direct consequences for the research outputs. Masters graduates at 1 012 against a target of 1 341 fell below target, though they showed improvement from 974 in 2024. The postgraduate-to-Masters level rate of 65% against a 68% target remained reasonably close to its goal, driven by stable Honours and PG Diploma throughput.

The efficiency indicators reveal some of the underlying constraints associated with several of the performance shortfalls described above. The proportion of permanent academic staff holding doctoral degrees fell to 60% against a target of 64%. Staff with Masters degrees stood at 27% against a 30% target, below the 28% of 2024. The nGAP programme recorded 25 participants against a target of 27. The shortfall is primarily linked to ongoing challenges in securing suitable candidates and appointments within Engineering disciplines, which continue to affect placement in the programme. The FTE student-to-staff ratio increased to 22.3, from 21.6 in 2024, attributable to undergraduate over-enrolment, while the staff complement has not grown proportionately.

Total publication units at 2 096,16 against a target of 2 827 declined from 2 344,4 in 2024, with direct bearing on Goal 3. The ratio of research outputs to permanent academic staff at 3.48 against a target of 3.52 held steady from 3.4 in 2024, indicating that per-capita research productivity was maintained even as total volume declined. Closing the EP 2020-2025 cycle, the enrolment and efficiency data point to genuine strengths in undergraduate access, SET field mix delivery, and the production of teacher education and life sciences graduates. At the same time, continuing challenges relating to postgraduate throughput, the staff qualification profile, and research output volume highlight the need for focused, measurable, and adequately resourced interventions in the future.



Ms K Mthimunye
CHAIR OF COUNCIL



Professor N Poku
VICE-CHANCELLOR AND PRINCIPAL

COUNCIL'S STATEMENT ON CORPORATE GOVERNANCE

The University of KwaZulu-Natal (UKZN) Council was incorporated on 1 January 2004 in terms of the Higher Education Act (Act 101 of 1997, as amended). During the year under review, the University functioned in keeping with the Act and in accordance with the Statute of the University (2nd Ed. GG no: 35124 of March 2012).

This report is the means whereby Council, through its Chairperson and the Chairperson of the Audit and Risk Committee, discharges its statutory duty to account for its actions and achievements in the governance of UKZN.

The overall purpose and objective of the report for the year ended 31 December 2025, in terms of the Regulations for Reporting by Public Higher Education Institutions issued in 2014 read in conjunction with the Higher Education Act, Act No. 101 of 1997, is to report on Council and its Committees in fulfilling their responsibilities.

These responsibilities include governance, management of risk, ethical leadership and corporate citizenship, compliance, sound financial management and sustainability as well as social and educational justice.

Corporate Governance Statement

The University is committed to the highest level of corporate governance as well as principles of accountability, responsibility, discipline, transparency, independence, fairness and social responsibility as advocated in the King III and King IV Report on Corporate Governance. Council was established and acts in compliance with the Higher Education Act. In executing its governance role, it ensures that all stakeholders act in the best interests of the University.

Accordingly, during the period under review, Council applied its own Code of Conduct (and Disciplinary Provisions) for its members, as approved on 2 October 2023. The Code encapsulates and endorses the principles inherent in the Constitution of the Republic of South Africa, the Higher Education Act as well as the King III and King IV Report. Council therefore recognises the need to conduct the business of UKZN with integrity, within legal strictures, and in accordance with generally accepted governance principles and practices, including its guardianship role in relation to public money and trust funds administered by the University.

Council's commitment to sound governance within the University is evidenced by a well-balanced internal structure that includes Internal Audit, Risk and Compliance and Forensic functions, reporting directly or indirectly to the Audit and Risk Committee.

Compliance with Laws, Codes, Rules and Standards

The University has carried out its mandate in terms of the legislative and regulatory framework and has not been subject to any penalties, sanctions or fines for contravention or non-compliance with any statutory and legal obligations.

Chairperson and Vice-Chairperson of Council

The Chairperson and Vice-Chairperson of Council are elected by Council for a period of two (2) years, provided that neither are eligible for election after holding office for two consecutive terms.

The current chairperson, Mrs K Mthimunye, first appointed on 2 October 2023, was reappointed by Council at its sitting of 29 September 2025 for a second term. The Chairperson's second term will run from 1 October 2025 to 30 September 2027.

The current Vice-Chairperson, Dr M Tong, appointed for her first term on 4 December 2023, was reappointed for a second term during the 1 December 2025 Council meeting. The Vice-Chairperson's second term will run from 1 January 2026 to 31 December 2027.

The roles of the Council Chairperson and Vice-Chairperson are separate from those of the Vice-Chancellor and Principal.

The Chairperson of each of the Committees of Council is external to the University, being neither a staff member nor student of the University.

The Secretary to the Council is the Registrar, as contemplated in the Act.

Composition of Council

The composition of Council, as contemplated in the Act and determined by the UKZN Statute, comprises 30 members, both academic and non-academic, with broad-based knowledge, skill, expertise and experience relevant to the objects and governance of the University. Just over 60% of the voting members of Council are external to the University, being neither employees nor students at the University, as required by the Act.

As at 31 December 2025, a total of 29 (of 30) positions were filled, with one vacancy for an independent external member appointed by Council.

COMPOSITION OF COUNCIL	
External members (independent, non-executive) appointed by Council	11
Ministerial Appointees (external, independent, non-executive)	5
Convocation Representatives (external, independent, non-executive)	3
Executive Management Representatives	3
Employee Representatives (from Senate, academic staff and support staff)	6
Student Representatives	2
TOTAL MEMBERSHIP	30

Changes in Council Membership during 2025 were as follows:

The Terms of Office of the following Council members ended as indicated in brackets:

- Dr M Hay – Ministerial appointee (30 June 2025)
- Mr A Young – External member appointed by Council (30 June 2025)
- Mr S Mlondo – SRC representative (24 October 2025)
- Mr T Tsotetsi – SRC representative (24 October 2025)

The following Council members were appointed to Council as indicated in brackets:

- Ms B Majozi – Ministerial appointee (1 November 2025)
- Dr M Hay – External member appointed by Council (1 October 2025)
- Mr A Ngcongco – SRC representative (14 November 2025)
- Mr K Thusi – SRC representative (14 November 2025)

Members of Council and External Members with Appropriate Expertise on Committees of Council were each required to submit a written declaration of their financial interests and fiduciary roles in keeping with the Act and the UKZN Code of Conduct for members of Council. Fiduciary roles include, but are not be limited to, offices, directorships of companies, membership of close corporations and trusteeships. Declarations were also required to cover related or inter-related parties (as defined). This process was concluded before the 2025 Quarter 1 meetings. In addition, a member of the Council who has a direct or indirect financial, personal or other interest in any matter to the discussed at a meeting, and which entails or may entail a conflict or possible conflict of interest, must, before or during such meeting, declare the interest.

The remuneration of Council members is determined in accordance with the UKZN Policy on Payment and Reimbursement of Council Members. The 2025 remuneration rate was approved by Council at its sitting of 4 December 2023, for both the 2024 and 2025 financial years. At its sitting of 1 December 2025, Council approved the amounts payable in the 2026 and 2027 financial years, on recommendation of the Remuneration Committee.

Details of the remuneration are included in the notes to the Consolidated Annual Financial Statements

Meetings of Council

Subject to the Act and the UKZN Statute, Council governs the University in keeping with the functions of Council, as recorded in the Statute.

During the reporting year in question, Council met four times: 31 March 2025, 23 June 2025, 29 September 2025, and 1 December 2025. For each meeting, an agenda was approved and circulated in advance, following due notice. Meetings only dealt with matters reserved for decision-making by Council as set out in the Statute of UKZN and were conducted in keeping with UKZN Committee Rules and Standard Operating Procedures.

The 2025 Council agendas each included a report by the Vice-Chancellor and Principal; a report from the Senate; reports into Council from each of its committees; other Governance matters, and the Chair's Circular which routinely includes the prior confirmed minutes of each of the Committees of Council.

No special Council meetings were called during the reporting year.

Committees of Council

The composition, manner of election, terms of reference, delegations and meetings procedure of the committees of Council – a Council Exco, an Audit and Risk Committee, a Finance Committee, a Remuneration Committee, a Human Resources Committee, a Senior Appointments Committee, and a Council Membership Committee – have all been approved by Council, as recorded in their respective Committee Charters.

After the release of the publication of the King V Report on Corporate Governance for South Africa by the Institute of Directors South Africa (IoDSA) and the King Committee on 31 October 2025, the University began a process to benchmark the current Council Committee structure and their Charters. This initiative will continue into 2026.

During 2025, the Charter of the joint sitting of the Finance Committee (FINCOM) and the Audit and Risk Committee (ARC) was reviewed and approved by Council on 23 June 2025.

In June 2025, Council also considered and approved the Guidelines for the Senior Appointments Committee, following amendments recommended to Council by the Senior Appointments Committee.

All Committees of Council are chaired by external (independent) Council members with the appropriate skill and expertise.

The Chair of Council is not a member of the Audit and Risk Committee and does not Chair the Finance Committee.

Council Exco

Council Exco, chaired by the Chairperson of Council, formally met on four occasions during the reporting year. Two of the meetings were scheduled meetings, namely March 17, 2025, and June 2, 2025, with special meetings convened on 26 February 2025 and 20 October 2025.

EXCO's membership and terms of reference are recorded in a formally approved Committee Charter.

Matters attended to during the March 2025 meeting, included items raised by management related to the formation of a Governing Body for the UKZN Aerospace Systems Research Institute (ASRI), feedback on the ongoing restructuring of the UKZN Foundation, a concept note on the establishment of a regional Science, Technology and Innovation Park in KwaZulu-Natal, and a proposal for consideration related to strategic retention options for academic staff.

During the June 2025 meeting, the draft UKZN Turn-Around Strategy was considered prior to submission to other Council Committees and submission to the June 2025 Council sitting for approval.

During the same sitting, prior to submission to Council for approval, EXCO deliberated on the draft Council Governance Indicators Scorecard 2024, recommending the submission to Council for approval.

During the reporting year, EXCO was routinely apprised by Management on the state of the University as matter arose. Formal briefings were also provided, including:

- A special meeting on 26 February 2025 following a visit by the Minister of Higher Education at the time, where the University's readiness for the 2025 academic year was considered.
- A special meeting on 20 October 2025, where the proposed response to the Parliamentary Portfolio Committee on Higher Education (PPC-HE) was discussed following a PPC-HE Oversight visit on 9 October 2025, to which Council members had also been invited. The formal UKZN response to the PPC-HE was submitted to the Secretary of the PPC-HE on 31 October 2025, as required.

Council Membership Committee

The Council Membership Committee (CMC) met once in 2025 and considered nominations to fill vacant positions on the Council. On 29 September 2025, it made several recommendations to Council regarding Council representation on committees of Council and other statutory bodies that required Council's ratification.

One vacancy for an External Member appointed by Council was filled in 2025. The remaining vacancy for an External appointee in this category will be pursued in 2026. The Minister of Higher Education appointed a Ministerial Representative to Council. The appointee attended their first Council meeting on 1 December 2025 after formal appointment by the University on 1 November 2025.

Membership of all committees of Council is confirmed as appropriate and complete, as per the respective committee charters. During the reporting year, the Council Membership Committee was chaired by Ms K Mthimunye, the Chairperson of Council.

Audit and Risk Committee

The Audit and Risk Committee (ARC), Chaired by Dr M Sibanda, consists of three external members of Council, one of whom is appointed as Chair, and two external members with appropriate expertise appointed by Council.

Scheduled meetings were attended by the independent external auditors and a representative from the Auditor General of South Africa (AGSA). In attendance (non-voting), were appropriate members of the executive and senior operational management, including Internal Audit, Enterprise Risk Management, Finance, Forensic Services and Institutional Planning and Governance.

Both external and internal auditors have unrestricted access to the Audit and Risk Committee, which ensures their independence is in no way compromised.

The mandate of the committee is recorded in its Council-approved Charter as well as the Internal Audit Charter, approved by the Committee.

Four scheduled meetings were held during the reporting year. In addition, a joint meeting with the Finance Committee, chaired by the Audit and Risk Committee Chairperson, was held to consider and recommend the audited Consolidated Annual Financial Statements for the year ended 31 December 2024 to Council for approval.

The Audit and Risk Committee Charter includes the following standing items per meeting agenda:

- a report back from the previous meeting of Council by the Chair of FINCOM
- management reports in terms of Litigation and Compliance, Forensic Services, Internal Audit, Enterprise Risk Management, Combined Assurance
- a formal report from the External Audit team.

The report of the Audit and Risk Committee on internal controls and risk management for the year ending 31 December 2024, as required for inclusion in the Annual Report (2024), was considered by the ARC during its 10 June 2025 sitting.

Further, during the June 2025 meeting, the ARC was afforded the opportunity to consider the consolidated Annual Financial Statements for the year ended 31 December 2024, in preparation for the Joint ARC/FINCOM engagement set for 17 June 2025. The outgoing external auditors also provided the committee with audit feedback (as at 3 June 2025) for the year ended 31 December 2024, with the incoming external audit team leaders present, as part of the formal hand-over process.

The UKZN Turn-Around Strategy was presented to the ARC by management, prior to submission to Council at its 23 June 2025 sitting.

The fees for other audit services were approved at the 18 November 2025 sitting of the ARC.

Finance Committee

The Finance Committee (FINCOM), consisting of 11 members, was chaired by Mr N Motsatse, an External Member appointed by Council. The majority of committee members are external members, with a cross-section of appropriate expertise.

The purpose of the Finance Committee is to provide governance oversight over the financial stability and long-term financial sustainability of the University and to optimise the use of financial resources.

During 2025, the Committee held four scheduled meetings, and a joint meeting with the Audit and Risk Committee to consider and recommend to Council the audited Consolidated Annual Financial Statements for the year ended 31 December 2024.

FINCOM receives routine quarterly managerial reports related to procurement: the abridged financial statements, a treasury report, an investment report by the appointed asset consultants

and progress reports on the Land Assembly and Rationalisation of Property (LARP) undertaking.

The FINCOM Chair provides the committee with feedback from the previous Council meeting at every sitting.

Specific items received during the year included the annual insurance renewal for the year ended 31 December 2025, at the sitting of 11 March 2025.

The 10 June 2025 meeting considered two matters prior to submission to Council on 23 June 2025: a proposal to purchase State-Owned property by out-of-hand-sale to consolidate the land that comprises Edgewood campus, which requires Council approval, and the UKZN Turn-Around Strategy.

A report of the management of financial risk was noted at the FINCOM meeting of 16 September 2025.

The Unrestricted Council Controlled funds budget and the Student Residences funds budget for the 2026 financial year were considered at the meeting of 18 November 2025, prior to submission to Council for approval.

Human Resources Committee

The Human Resource Committee (HRC), chaired by Mr M Maimane, an External Member of Council, deliberated on submissions related to student and employee wellbeing at the March 2025 meeting, endorsing the UKZN Student and Employee Health and Wellbeing (SEHW) Strategy 2025-2029.

The Committee, at the June 2025 sitting, received reports related to the UKZN Turn-Around Strategy – an update on the Employee Ethics programme roll-out and feedback on Employee Engagement initiatives, enabling the achievement of a conducive employee working environment. Agenda items for the 16 September 2025 meeting included the UKZN Employment Equity Plan for the period 1 September 2025 to 31 August 2030 per the Employment Equity Act (Act 55 of 1998, as amended) and the Education Sector targets for the appointment of persons from the designated group as well as a management report on the recruitment, selection and retention of staff for the period January to September 2025.

A Chair's feedback report from the previous Council meeting serves at every meeting of the HRC.

Remuneration Committee

The Remuneration Committee (REMCO) met three times during the year: 9 June 2025, 15 September 2025 and 17 November 2025.

The purpose of REMCO is to set remuneration and subvention policies and monitor their implementation, in keeping with Principle 14 of King IV.

The committee was chaired by Dr M Tong, a Ministerial Appointee and Vice-Chairperson of Council. The Chair of the committee apprises the members of feedback from the previous meeting of Council at every sitting of the REMCO.

During the Committee's June 2025 meeting, members were apprised of progress with respect to the review of the UKZN Remuneration Model. Management was also afforded the opportunity to present the UKZN Turn-Around Strategy, the submission of which was scheduled for the June Council meeting agenda. In November 2025, REMCO reconsidered the stipend paid to External Council Members and External Members with appropriate expertise on committees of Council, making a recommendation to Council for the financial years 2026 and 2027.

Senior Appointments Committee

The Senior Appointments Committee (SAC) – chaired by Dr M Tong (Council Vice-Chairperson) during the reporting year – met three times.

The Committee is mandated by Council as the recruitment and selection panel to fill vacant posts established by Council as "executive posts", in accordance with the Council-approved SAC Guidelines.

During the 7 June 2025 meeting, the Council Approved Guidelines for the Senior Appointments Committee were reconsidered, with a recommendation made to Council for approval.

The Recruitment and Selection undertakings for the executive positions of Registrar and Pro-Vice-Chancellor: Student Services were deliberated upon by the Committee in the June 2025 sitting, with the shortlisting processes following during the meeting scheduled for 23 August 2025.

Following the August 2025 meeting, interviews for the position of Registrar were held on 13 September 2025. The PVC: Student Services recruitment process was referred to management for further consideration of the job profile and minimum requirements.

Governance matters attended to by Council during the reporting year

During every scheduled Council meeting, apart from reports from each of the Committees of Council, council receives reports from the Vice-Chancellor and Principal; the Senate; and submissions related to other governance matters.

Council, within the provisions of the Act and the UKZN Statute, exercised its governance and leading role guided and informed by the UKZN Strategy (2023–2032) and the 2025 Annual Performance Plan; and approved the proposed UKZN Turn-Around Strategy mid-year.

Specific governance matters attended to by Council during the reporting year included:

The University's Annual Performance Plan (APP) and Reporting:

- **29 September 2025:** During the September 2025 Council meeting, Council considered and approved the Mid-Year Performance Report of the Annual Performance Plan 2025 for submission to DHET, noting that the 2025 Annual Performance Plan had been approved during the final Council meeting of 2024.
- **1 December 2025:** The 2026 Annual Performance Plan, in which targets have been established in relation to pre-determined objectives aligned to the UKZN Strategy (2023–2032) was submitted for Council approval during the December 2025 sitting. Council resolved to approve the 2026 Annual Performance Plan, which was duly submitted to the DHET as required.

Annual Report 2024:

- **23 June 2025:** Council approved the statutory reports for the year ended 31 December 2024 as received.

Submissions to DHET made in terms of the Regulations for Reporting by Public Higher Education Institutions

In all instances, Council approval was obtained during a quorate Council meeting, and the documentation for approval by Council was circulated with the meeting agenda, in advance, with due notice.

- Council Governance Indicators' Scorecard for 2024: Approved by Council 23 June, 2025. Submitted to DHET 24 June, 2025.
- Annual Report 2024: Approved by Council 23 June 2025. Submitted to DHET 30 June 2025.
- UKZN Enrolment Plan, 2026–2030: Approved by Council 23 June 2025. Submitted to DHET on 26 June 2025. Approval by DHET received on 10 November 2025.
- Audited HEMIS return 2025: The final, externally audited HEMIS submission was made as required by 31 July 2025. The annual, non-audited, submissions required by 30 April and 3

October were also made per deadline.

- Annual Performance Plan 2025: Approved by Council 2 December 2024. Submitted to DHET on 13 December 2024.
- Mid-Year Performance Report of the Annual Performance Plan 2025: Approved by Council on 29 September 2025. Submitted to DHET on 2 October 2025.
- Annual Performance Plan 2026: Approved by Council 1 December 2025. Submitted to DHET on 10 December 2025

Submissions to the Department of Employment and Labour

- UKZN EE Plan (FORM EEA 13): Submitted to the Department of Employment and Labour on 3 November 2025.

In addition, as per the Act and UKZN Statute, Council fulfilled the following functions required of it, during the reporting year:

Elected the Chancellor of the University

Having been appointed on 1 July 2021, the first term of office of the UKZN Chancellor, Dr Reuel Khoza, was due to end on 30 June 2025. In keeping with the University Statute, the UKZN Chancellor holds office for a period of four years and may be elected as Chancellor for a maximum of two consecutive terms of office.

On 31 March 2025, Council considered a submission from the Institutional Forum in which it saw fit to advise Council that it supported and recommended Dr Reuel Khoza for (re)election as the UKZN Chancellor. Following the required secret ballot in Council, Dr Khoza was confirmed as reappointed for a second and final term, which term commenced on 1 July 2025 and will end on 30 June 2029. A formal Communiqué in this regard was thereafter released by the University.

Considered established Council committees (per review dates)

- **31 March 2025:** Council received a summary report of the 2024 Council and Committees of Council self-evaluation survey undertaken in December 2024. Members noted that feedback from this annual exercise would in turn inform the 2024 Council Governance Indicators' Scorecard. Members of Council engaged in the 2025 Council self-evaluation exercise during the December 2025 sitting, as did each Committee of Council during their final sitting. Committee members are required to rate and comment on an overall assessment of the committee's performance; assessment of the Chair; peer review of committee members' conduct and contribution; individual self-assessment of own contribution and conduct; and assessment of the overall management of meetings.

- **31 March 2025:** Council approved the establishment of a Panel for Appeal Committees of Council (as per the UKZN Student Disciplinary Rules) for future-use by the Registrar and University's Student Discipline Office, as and when needed.
- **23 June 2025:** On recommendation from the Joint Sitting, Council approved the revised Charter of the Joint Sitting of the FINCOM and ARC Committee.
- **23 June 2025:** On recommendation from the Senate, Council approved the updated Charter of Senate, revised in keeping with the changes from the School Reorganisation undertaking. Council also noted the amended Charters of the University Teaching and Learning Committee (UTLC) and University Research and Ethics Committee (UREC) –both Senate Committees and approved by Senate.
- **29 September 2025:** In terms of committee membership, Council approved the appointment of an External Member with appropriate expertise to the Human Resources Committee, on recommendation of the Committee. It also approved the appointment of an External Council member in the "External Member Appointed by Council" category on recommendation of the Council Membership Committee. Council further ratified a number of additions to membership of Council Committees and other Statutory bodies.

Consideration of the provision of student support services

- **29 September 2025:** Council approved the proposed establishment of Centralised Student Services Centres on recommendation of the Senate, after prior consultation, including in the Student Services Forum.

Made rules for the University

- **31 March 2025:** Council approved the UKZN Research Data Management Policy, noting that the related Implementation Procedures had been approved by the Senate on 19 March 2025.
- **23 June 2025:** As recommended by Senate, the revised UKZN Honorary Doctorates Policy was approved. Council noted that the related Implementation Procedures and Nomination Form were approved by Senate on 11 June 2025. The Policy was revised following the Council for Higher Education (CHE) publication of the *Good Practice Guide – Honorary Degrees and Professorships* (www.che.ac.za, Draft 1 May 2024).
- **29 September 2025:** Following approval by the Senate, Council noted a number of amendments to the Disciplinary Rules for Students, which will come into effect as from 1 January 2026.

Considered a senior management appointment recommended by the Senior Appointments Committee

- **23 June 2025:** In keeping with a Senior Appointments Committee (SAC) recommendation, Council approved the revised SAC Guidelines.
- **1 December 2025:** Following a recommendation by the Senior Appointments Committee and after consultation with the Institutional Forum and Senate, as required, Mr M Tufts was approved for appointment as UKZN Registrar, commencing 1 January 2026.

Approved the annual budget

- **1 December 2025:** On recommendation of the FINCOM, the Unrestricted Council-controlled Funds budget, and the Student Residences Funds budget for the 2026 financial year, were approved by Council.

Other financial submissions to Council

- **23 June 2025:** After receiving the report of the Joint FINCOM and ARC meeting of 17 June 2025, Council approved management's assessment of the University's ability to continue as a going concern; approved the 2024 Consolidated Annual Financial Statements, noting the Independent Auditors' report on the 2024 Consolidated Annual Financial Statements; and approved Section A of the 2024 Annual Report for submission to DHET. Council authorised the Chair of Council, Chair of the Audit and Risk Committee, Vice-Chancellor and Principal, and Chief Finance Officer to sign the Consolidated Financial Statements on behalf of Council.
- **29 September 2025:** As part of the Vice-Chancellor and Principal's Report to Council, the Vice-Chancellor addressed the mid-year financial performance update for the 6 months ending 30 June 2025, further updating Council on the National Student Financial Aid Scheme (NSFAS) Shortfall and institutional impact. Acknowledging the strong progress made to date in restoring fiscal stability while actively pursuing strategic renewal at UKZN, the discernible decline in State funding and the precarious financial position of NSFAS demanded heightened financial vigilance on the part of the University and sustained disciplined financial management.
- **1 December 2025:** In the Vice-Chancellor and Principal's Report to Council, members were updated on various matters, including the substantial financial year-end shortfalls communicated by DHET and NSFAS that posed significant risk to the Institution. Management's strategies to contain pressure on cashflow and other identified financial and reputational risks were also presented.

- **1 December 2025:** The Honorarium rates for external members of Council and External members with appropriate expertise on Committees of Council were approved by Council for the 2026 and 2027 financial years.

With Senate approval, determined student's admission numbers

- **23 June 2025:** After due consideration of the proposed 2026–2030 Enrolment Plan as recommended to Council by the Senate; Council approved the final UKZN Enrolment Plan 2026–2023 for submission to the DHET. Council noted that the Plan was strategic and future-focused, positioning the University as a competitive and socially responsive institution.

Approved the purchase of immovable property

- **23 June 2025:** The purchase of State-Owned property, being the remainder of Portion 1 of Erf 373, Ashley, in the Province of KwaZulu-Natal, by out-of-hand-sale, as recommended to Council by FINCOM, was approved. As noted earlier, the purchase ensures the consolidation of the land that comprises the UKZN Edgewood campus, in keeping with the University's Land Assembly and Rationalisation Project (LARP). The value of the property did not exceed 5% of the average annual income of the University during the preceding two years, and therefore, did not require the approval of the DHET Minister.

Determined academic structures and their function to ensure efficient governance after consultation with the Senate

- **31 March 2025:** Following EXCO deliberations, Council was apprised of the appointment of a Governance Board for the Aerospace System Research Institute (ASRI), after which stakeholders were advised via a University Communiqué.
- **31 March 2025:** Council was once again apprised of the developments with respect to the ongoing review of the UKZN Foundation, which was being overseen by Management and Council EXCO.
- **23 June 2025:** Following wide-ranging consultation in statutory committees, including in each of the Committees of Council, Council deliberated upon the UKZN Turnaround Strategy, noting the submission.
- **23 June 2025:** On recommendation from the Senate, Council approved the updated Charter of Senate, revised in keeping with the changes realised in the School Reorganisation Project, and noted the amended Charters of the University Teaching and Learning Committee (UTLC) and the University Research and Ethics Committee (UREC), as Committees of Senate, and the Charter of the College Academic Affairs Boards (CAAB).

- **23 June 2025:** Subsequent to the approval by Council in June 2024 of the reconfigured Academic Schools and their internal structures, Council approved a submission from Senate endorsing a College of Health Sciences recommendation, that the disciplines of Public Health and Occupational & Environmental Health be located in the School of Medicine, along with Traditional Medicine and the Centre for Research in Health Systems.
- **23 June 2025:** Continuing UKZN's renewal journey under Project Renewal, Council received a Senate report on Academic Governance and the Foundational Role of Disciplines at the UKZN.
- **23 June 2025:** The Senate-recommended establishment of the Centre for Quantum Computing and Technology (CQCT) was unanimously approved by Council, with Council noting that the Centre was the first of its kind on the continent. The Centre's significant impact in terms of research and UKZN's standing in the scientific community was acknowledged. The Centre was official launched on 28 November 2025.
- **29 September 2025:** Two critical academic strategies, namely, Early Career Strategy and UKZN PhD programme, as endorsed by the Senate, were noted by Council. The Strategic Framework for Restructuring the University Research Office, and the Strategic Framework for the Teaching and Learning Office – Reclaiming UKZN Academic Leadership, as recommended by Senate, were approved by Council after comprehensive presentation by Management.
- **29 September 2025:** Council resolved to approve the proposed establishment of a UKZN-owned Non-Profit Company (NPC) for renewable energy in keeping with the Smart Energy and Smart Metering Project, a collaborative initiative between the University and an external entity.

General governance matters included

Approving the appointment of Employer-nominated Trustees and alternates as recommended by management, including trustees to the UKZN Retirement Fund Board of Trustees (March 2025 and December 2025), the UKZN Pension and Provident Fund Boards of Trustees (March 2025 and September 2025), and the UKZN Medical Scheme Board of Trustees (March 2025 and December 2025)

At each meeting of Council, the UKZN Signatories List was noted for record purposes.

Hosting oversight visits

On 20 February 2025, the University hosted the Honorable, Dr N Nkabane – then Minister of Higher Education – for a scheduled “Readiness for the Academic Year 2025” oversight visit.

The University hosted the Parliamentary Portfolio Committee for Higher Education, representatives from the Department of Higher Education, and the National Student Financial Aid Scheme (NSFAS) for a Parliamentary oversight visit on 9 October 2025. An invitation was extended to all Council members to attend the engagement.

Council statement on conflict management

In terms of Conflict Management, the University operates within the ambits of its approved Conflict Resolution Procedure as well as the approved UKZN Disciplinary Code and Grievance Procedures. In terms of student grievances, each College Handbook annually records the Communication Protocol for Addressing Student Grievance as well as an outline of measures to be taken in resolving grievances.

Staff matters of this nature are handled by the Human Resources Division where professional, qualified, and experienced individuals in such matters are available to assist. The University Ombud independently attends to both staff and student matters lodged with the Ombud’s office.

During the reporting year, Council did not require individuals qualified and experienced in mediation, arbitration and dispute resolution to assist in any disputes needing its involvement.

Council statement on co-operative governance

UKZN Management and the three Trade Unions acting jointly, namely, the National Education, Health and Allied Workers Union (NEHAWU), National Tertiary Education Union (NTEU), and University of KwaZulu-Natal Staff Union (UKSU), concluded a revised Recognition Agreement and Organisational Rights Document signed on 2 July 2024. The duly constituted Labour Relations Forum (LRF) operates in keeping with approved Rules and Regulations.

Regarding UKZN students, the University works within the ambits of a Student Representative Council Constitution approved by Council in 2018. The 2024/2025 Student Representative Council – consisting of a Central Student Representative Council and five Campus Representative Councils (CRCs) with an SRC Executive of 17 members – were required to deploy SRC/Student representatives to a number of Statutory College and central University Committees in keeping with the respective Committee Charters. This process was re-run in October/November 2025 after the inauguration of the 2025/2026 SRC.

Council statement on code of ethics

Council acknowledges that in today's complex interconnected business landscape, ethics management has emerged as a critical component of organisational success. It encompasses the processes, policies, and practices to design and promote ethical behaviour and ensures compliance to regulation. The formal ethics programme not only aims to mitigate risk, but also builds trust and ensures sustainability with stakeholders, thereby enhancing the reputation of the University.

In 2025, the University successfully recruited, by way of an appropriate recruitment process, the services of an ethics specialist to partner with the University in the provision of various programmes, workshops and focus groups across the University's operations. Held online and in-person, these initiatives focused on general employee and employee leadership ethics, including ethical conduct as well as fraud and corruption awareness. A number of identified international events were observed during 2025 and included in the ethics programme. The overarching purpose of the Ethics programme is to foster and encourage shared values, beliefs, and practices within the University,

UKZN's Ethics Office is based within the Human Resources Division and reports into the Human Resources Committee of Council.

The Code of Conduct for Members of the Council sets out the desired behaviour expected from all members of Council, procedures to follow when declaring conflicts of interest, procedures which will be followed when dealing with the alleged breaches of the Code of Conduct, and resultant sanctions which may be imposed when it has been established that the Code of Conduct has been breached.

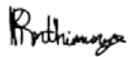
Council statement on sustainability

UKZN's Sustainability Strategy aims to ensure that its institutional, managerial, administrative, academic, and financial structures are fit for purpose, configured optimally, capable of balancing both growth and consolidation, and can ensure the long-term financial viability of the institution.

The sustainability strategy is set in the context of a challenging external operating environment arising from declining public sector financing for Higher Education Institutions and students, increasing competition among Institutions, more choices for students, ongoing challenge of a changing balance of power from providers to end-users, uncertain political times which impact on the University's planning and operations, and the challenge of "free education".

During the reporting year, the work of and engagements with NSFAS remained cause for concern. Council remained resolute in supporting Executive Management's ongoing engagements with the Office of the Minister of Higher Education and Training as well as NSFAS, in continuing efforts to resolve issues as they arose.

A range of interventions, supported by Council, continue to be implemented under Project Renewal to strengthen the University's short-term financial viability and the longer-term sustainability of the academic project, with an on-going focus on sound financial management practices and responsible stewardship.



Ms K Mthimunya
CHAIR OF COUNCIL



Dr M Sibanda
CHAIR OF AUDIT AND RISK COMMITTEE

REPORT OF THE SENATE TO THE COUNCIL

In keeping with the Higher Education Act (Act No. 101 of 1997), as amended, Senate holds ultimate responsibility for maintaining the University's academic integrity.

Senate is accountable to Council for all teaching, learning, research and academic functions of the University. Senate is also responsible for all other functions delegated to or assigned to it by Council, as per the Functions of Senate as recorded in the UKZN Statute (2nd Ed. March 2012. GG No. 35124)

As the highest academic decision-making body, Senate's work is supported by its committees: including the:

- University Teaching and Learning Committee (UTLC).
- University Research and Ethics Committee (UREC) which provides specialised advice, guidance and/or recommendations on academic operations, governance of programmes, and other teaching and learning and research endeavors.
- College Academic Affairs Boards (CAAB) statutory committees responsible for the academic endeavor in the four Colleges. Academic authority with each of the Colleges rests with the CAAB. School Boards report into the CAAB.
- Academic Rules Committee, a Senate committee which considers for approval, amendments or additions to the General Academic Rules, and approves College, School and/or Programme academic rules, placing these on the Senate agenda for noting.
- Student Disciplinary Rules Committee, a Senate committee which considers proposals from the Student Disciplinary Rules Consultative Forum for recommendation to Senate in terms of Rules for Students.
- University Academic Exclusions Appeals Committee (AEACOM) which is responsible for considering and deciding on appeals against academic exclusion referred to it from College Exclusion Appeals Committees (CEACOMs).
- Senior Awards Committee which decides on recipients of awards in terms of approved policies.
- University Appointments and Promotions Committee (UAPC) which refers matters to Senate and is required to submit a comprehensive annual report to Senate.
- Various Senate Task Teams established from time-to-time and assigned specific terms of reference. These include the Academic Registration, Strategic Student Recruitment, and Policy and Procedures task teams.

During 2025, Senate continued to lead in academic governance, serving as the nexus between the academic community, Council, and Senior Management.

Senate Composition

Following approval by Council of the "Completing the College Model" proposal in late 2023, as well as the establishment of nine (9) academic schools approved by Council in June 2024, the structural reorganisation of the Academic Schools was completed in July 2025, with the reallocation or confirmation of all registered students to their appropriate (new) School before the start of Semester 2, 2025. Pre-emptively, in keeping with the requirement as recorded in the Act and the UKZN Statute, a proposal from Senate (11 June 2025) to revise the membership of Senate, as recorded in its Charter, was approved by Council on 23 June 2025 with the proposed structural changes in mind.

To ensure adequate handover, all Senate members prior to 30 June 2025 were invited to the September 2025 sitting of the Senate and all newly appointed Senate members were also included in the 10 September 2025 sitting. Outgoing members' terms of office ended on 11 September 2025, and incoming members' terms of office commenced on 1 September 2025.

The Senate, as revised, subject to the provision of the Act, consists of:

- The Vice-Chancellor and Principal (Chairperson).
- The Deputy Vice-Chancellors.
- Pro-Vice-Chancellors approved by the Senate.
- The College Deans of Research.
- The College Deans of Teaching and Learning.
- The Deans and Heads of School.
- The University Dean of Research.
- Permanent academic employees from each School (four per School), duly elected by each School Board.
- A Fellow of the University.
- A representative from the Council appointed by Council (who is neither an employee nor student).
- The Chairperson of the Institutional Forum.
- The President of the Convocation, or nominee.
- Student representatives, one duly elected by the Central Student Representative Council (SRC), and one each duly elected by each of the Campus Representative Councils (CRC).

In Attendance (Non-Voting)

- The Registrar
- The Chief Finance Officer
- The Executive Directors: Human Resources, Corporate Relations and Institutional Planning and Governance

- The Chairperson of the Professional Services Board
- The Director: Library Services
- The Director: Quality Promotion and Assurance
- The Director: Student Academic Administration
- The Directors: College Professional Services
- The Managers: School Academic Administration

Meetings of the Senate

During the reporting year, Senate met four (4) times for scheduled meetings. The scheduled meetings, convened on 19 March 2025, 11 June 2025, 10 September 2025, and 12 November 2025, considered an agenda, approved and circulated in advance, following due notice, attending to matters as set out in the UKZN Statute as functions of the Senate.

Senate's agendas each included, as standing items, a Report by the Vice-Chancellor and Principal; reports from Committees/Sub-Committees/Task Teams of the Senate; Academic Governance Matters/Other reports/consultation(s); Reports for Noting; the Chair's Circular; and an option for Any Other Business.

The Vice-Chancellor and Principal is the Chairperson of Senate, as contemplated by the Act. The Registrar is the Secretary to the Senate.

The procedures applicable to meetings of the Senate are those of the Council and applicable *mutatis mutandis*.

The revised Senate Charter records standing items for the four scheduled meetings.

Committee Charters

Each of the UKZN Committee Charters details a purpose statement for the specific committee, its structure (membership, chair, and quorum), authority (terms of reference, reporting and referral obligations and delegated authority) and operation as well as recording the approval body and date of approval of the Charter.

The Charters of the University Teaching and Learning Committee (UTLC), University Research and Ethics Committee (UREC), and College Academic Affairs Boards (CAAB) as sub-committees of the Senate, were reapproved by Senate on 11 June 2025 following a review exercise.

A number of proforma Charters for other academic structures were noted by Senate. These included:

- The College Teaching and Learning Committee
- The College Research and Higher Degrees Committee
- The School Board
- The School Teaching and Learning Committee
- The School Research and Higher Degrees Committee,
- The School Exam Board

At the 10 September 2025 sitting of Senate, the Charters of the College Exclusion Appeals Committee (CEACOM) , and the University-wide Academic Exclusion Appeals Committee (AEACOM) were re-considered, following the formal re-allocation of registered students to their appropriate School (and by implication the appropriate College), and the finalisation of the appointment of Manager: School Academic Administration Services in the nine (9) newly-established Schools. These Managers will now be crucial in “attendance” (non-voting) members at AEACOM.

KEY MATTERS CONSIDERED BY THE SENATE DURING 2025

Executive Appointments:

Senate was consulted on the outcome of the recruitment and selection process for the position of University Registrar, following deliberations by the Senior Appointments Committee of Council.

Senate resolved to support the recommendation made, after a presentation to Senate by the Chair of the Senior Appointments Committee. Recommend by Senate on 12 November 2025, to Council for Approval.

Financial matters brought by Management:

(for noting by Senate, prior to submission to Council)

- The Consolidated Annual Financial Statements for the year ended 31 December 2024 (noted 11 June 2025 and referred to Council meeting of 23 June 2025).
- The Unrestricted Council-controlled Funds budget for the 2026 financial year (noted 12 November 2025 as part of the consultation process prior to Council meeting of 1 December 2025).
- The Student Residence Funds budget for the 2025 financial year (noted 12 November 2025 as part of the consultation process prior to Council meeting of 1 December 2025).

Institutional Strategic Risk Register

As part of the internal consultation process, Senate received and noted the revised Institutional (Strategic) Risk Register. (Noted: 12 November 2025).

The Academic Project

The Senate meeting of 11 June 2025 recommended the UKZN Turnaround Strategy to Council for approval. This acknowledged that in a rapidly changing world, UKZN needs to focus on strengthening its position as a distinctive institution of learning. This requires embracing more flexible, interdisciplinary and collaborative approaches to research, teaching and knowledge transfer activities across the University while building capacity to deliver quality research and full degree programmes, including advanced graduate study.

The UKZN Turnaround strategy, an outcome of the UKZN Leadership Retreat of 12 – 14 March 2025, followed ongoing deliberations in a number of forums in the prior reporting year. The March 2025 retreat was attended by Executive Management, the current (19) and newly appointed (10) Deans and Heads of School (including the GSB&L), the four College Deans of Teaching and Learning and the four College Deans of Research, with the University Dean of Research, the four Directors of College Professional Services and the Director of Institutional Planning, together with project renewal support team members.

The turnaround strategy records UKZN's renewal investment framework; the case for consolidating and strengthen the academic disciplines and fostering effective leadership in Schools including the implementation of the concept of command and control; and reorganising the professional services to better serve the academic project.

Enrolment planning (2026–2030)

The Senate sitting of 11 June 2025 resolved to recommend the UKZN Enrolment Plan: 2026–2030 to Council for approval.

An enrolment planning steering committee was established in September 2024, and UKZN's preliminary enrolment plan 2026–2030 was submitted to the Department of Higher Education and Training (DHET) on 30 October 2024, with the University participating in a DHET Enrolment Planning Workshop on 29 November 2024. At the workshop, generic feedback was provided after DHET's review of the sector-wide preliminary plans. Deliberations on the enrolment plan continued internally, and on 5 May 2025, DHET, in consultation with UKZN, proposed minor changes to the enrolment tables after reflecting on the financial implications of the preliminary enrolment projection which amendments were approved by DHET on 16 May 2026. Following further consultation with the Colleges, the UTLC and UREC, Senate was requested to consider

the Final UKZN Enrolment Plan 2026–2030, during the June 2025 sitting.

The final plan projects a 2% overall enrolment growth, aiming to reach 49 242 students by 2030, with a specific focus on postgraduate enrolment to achieve and maintain a 70:30 undergraduate to postgraduate ratio.

A Strategic Framework for Restructuring the Research Office

The Senate sitting of 10 September 2025 recommended the proposal to Council for approval. During the March 2025 sitting of Senate, following on from Senate deliberations during 2024, Senate endorsed six strategic initiatives targeting key areas that were identified as requiring careful consideration and analysis within the research space. The initiatives, for which actions, responsibilities and timelines were defined, included consideration of means to enhance the fundamental Institutional enablers, cultivating a supportive research culture, prioritising research quality, establishing a centrally organised, high-quality doctoral training programme, creation of a research and innovation support office and fostering a research collaboration culture. During the year, Senate delivered on two outcomes: the drafting of a strategic framework for restructuring the existing research space, and a protocol for the UKZN doctoral training programme.

Informed by the outcomes of the strategic processes undertaken, Senate deliberated upon the restructuring submission. The Research Office was proposed to be restructured under the Executive Leadership of a Deputy Vice-Chancellor: Research and Innovation, with the College Deans of Research, who serve as the interface between the Colleges and the Central Research Office, supported by three directorships, namely:

- The Research Office, which co-ordinates the support units, liaises with Colleges and ensure uniform policy implementation, translating strategic intent into measurable outcomes.
- Innovation and Entrepreneurship, in support of the implementation of Goal 3 in the UKZN 2023–2032 Strategic Plan, namely: “Excellent, High Impact Research, Innovation and Entrepreneurship”. This directorate will provide operational and strategic lead in three key areas: ideation (design thinking), academic programme support as well as enterprise and product development.
- Internationalisation, supporting Goal 5 in the UKZN 2023–2032 Strategic Plan, namely, “Targeted Internationalisation”, which will move from the Corporate relations Division into Research. Focus will be on operationalisation of the UKZN internationalisation strategy, including research collaborations, internationalisation of teaching and learning, and global engagement.

Specialised managers, each responsible for a distinct yet independent portfolio, will support the three Directors.

Doctoral Training Programme

A proposal for the establishment of a Doctoral Training Hub reporting to the Deputy Vice-Chancellor: Teaching and Learning was first supported by Senate in 2024, and noted by Council in June 2024. In March 2025, establishing a centrally organised, high-quality doctoral training programme was further deliberated upon in Senate as one of six strategic imperatives that aimed to transform UKZN's research landscape.

Empirical studies and institutional reviews have demonstrated that early systematic training for doctoral candidates cuts average time-to-degree by at least a year; improves research quality, and enhances student wellbeing through, *inter-alia*, providing practical professional development opportunities, peer support cohorts and networking opportunities and early induction into research ethics.

UKZN intends to maintain its standing as a leading research-intensive university within the South African Public Higher Education Sector and the world. Because doctoral output is key to this, Senate acknowledged a duty of care to students, ensuring that their educational attainment aligns with their career aspirations and positions them for success in an increasingly competitive global landscape.

The UKZN Doctoral Researcher Developmental Framework, comprising modules dealing with knowledge and intellectual abilities, personal effectiveness, and engagement, influence and impact was endorsed as a pilot programme by Senate at its sitting of 10 September 2025.

Reclaiming UKZN Academic Leadership – the Teaching and Learning Office

The Senate sitting of 10 September 2025 recommended the Teaching and Learning Office's "Reclaiming UKZN Academic Leadership" proposal to Council for approval.

In pursuit of Goal 1 of the UKZN 2023–2032 Strategic Plan, "Excellence in Teaching and Learning", Senate considered a number of recommendations seeking to clarify mandates of different entities, strengthen capacity to align divisional functions with the University's dynamic academic priorities and foster responsible stewardship. The submission identified the following divisions within the Teaching and Learning space:

- the University Teaching and Learning Office (UTLO) as the strategic nucleus, inclusive of a Centre for Teaching and Learning
- a Curriculum Transformation, Digital Learning and Innovation Hub
- the Quality Promotion and Assurance Unit
- the University Language Planning and Development Office (ULPDO),

all focused on contributing to and playing a vital role in the University's ongoing academic renewal.

In addition, Student Support Services would, going forward, be housed within the Teaching and Learning domain.

Centralising Student Support Services

At its sitting on 10 September 2025, Senate recommended to Council for approval, the centralisation of Student Support Services.

In keeping with Goal 2 of the UKZN 2023–2032 Strategic Plan, “an Excellent Student Experience”, centralised Student Support Services (SSS) Centres, per campus, represent a transformative pillar of UKZN’s student success strategy designed to address the non-academic determinants of achievement, which increasingly shape retention, throughput and wellbeing.

The proposed centralised model for support services for students aims to improve accessibility, consistency in the provision of services as well as responsiveness of services that support students’ socio-psychological and personal developmental needs – independent of College affiliation. The proposal, which acknowledges the active involvement of academic staff as a pre-requisite to ensuring integrated academic and developmental support, will also cater for placement-based students in the College of Health Sciences, thereby ensuring equitable access, and ensuring that all students are supported in their journey towards excellence. Each Student Support Centre will host a multi-disciplinary team offering integrated socio-psychological, career development services, wellness programmes and life skills training in a coherent student-centred framework.

The Early (Academic) Career Strategy

On 10 September 2025, Senate endorsed the Early (Academic) Career Strategy in a bid to strengthen UKZN’s academic future. The strategy offers early career academics (ECAs) a structured pathway for academic growth, integrates developmental planning with reflective reporting, ensures transparent progression and allows ECAs to empower a new generation of scholars.

With universities across the continent being called on to reimagine their academic futures, UKZN viewed redefining and advancing its commitment and relationship with ECAs as a strategic and ethical imperative. Against this backdrop, early career academics are required to build their research identity, secure funding and balance teaching loads, while contending with systemic pressures and personal uncertainty.

Principles for Updating the 'Academic Leader' Role:

On 10 September 2025, Senate endorsed the Principles for Updating the Academic Leader Role. In 2012, UKZN introduced the Academic Leader role with three distinctive portfolios: Academic Leader: Discipline, Academic Leader: Teaching and Learning, and Academic Leader: Research and Higher Degrees. As part of Project Renewal, the roles required review and refinement to reaffirm the centrality of academic disciplines and Schools. New titles have been introduced: Discipline Head, Head of Teaching and Learning for the School, and Head of Research and Higher Degrees for the School, with concomitant amendments to the various job profiles and a review of the metrics associated with appointments made in the Schools.

Other Structural Matters

Establishment of the Centre for Quantum Computing and Technology (CQCT)

Senate, on 11 June 2025, recommended the Establishment of the Centre for Quantum Computing and Technology (CQCT) for Council approval. At its sitting of 23 June 2025, Council resolved to approve the establishment of the Centre.

The last two decades have seen a global race in the development of quantum technology, such as quantum computers which enable advances in enhanced medical imaging, efficient light-harvesting material (clean energy), secure optical communication networks, exponentially faster computing, and more precise measurement systems (metrology). A number of countries continue to invest heavily in the field. The opportunity has now arisen to create first use cases of quantum computers for industry and to develop the corresponding software.

UKZN has a track record in quantum technology research, thanks to its productive Quantum Research Group. This research-area has continued to grow at the University, with numerous active researchers, graduation of master's and PhD students, and publications in high impact journals. The Centre plans to expand on this legacy with an emphasis on research, postgraduate training, and commercialisation of quantum computing and technology, positioning UKZN to participate in the quantum computing technology revolution and contribute to South Africa's capacity in this field, academically and in the economy.

The Centre, to be based in the College of Agriculture, Engineering and Science, was officially launched on 28 November 2025. Council Chairperson, Mrs K Mthimunye, gave the official welcome, while Ms Nomalungelo Gina, Deputy Minister: Department of Science, Trade and Innovation (DSTI), delivered the keynote address.

Proposed Revision to the Structure of the New School of Medicine

On 11 June 2025, Senate recommended the revised structure of the new School of Medicine to Council for approval.

After the matter was considered within the College of Health Sciences, the School of Medicine, via the College Academic Affairs Board, proposed that the disciplines of Public Health, Occupational and Environmental Health, Traditional Medicine and the Centre for Research in Health Systems (CRH) be located within the School.

Rules and Regulations

UKZN Regulatory Framework

The following regulatory documents were considered by Senate during the reporting year:

- **UKZN Research Data Management Policy** and Implementation Procedures: Senate sitting of 19 March 2025 recommended the Policy to Council for approval after considering and approving the Implementation Procedures. Council approved the Policy on 31 March 2025.
- **UKZN Policy on the Award of Honorary Degrees:** As recommended by Senate, this policy was approved by Council on 23 June 2025, noting that the related Implementation Procedures and Nomination Form had been approved by Senate on 11 June 2025.
- The previous UKZN Honorary Degrees Policy was revised following the publication of the *Good Practice Guide on Honorary Degrees and Professorships* by the Council for Higher Education (CHE) (Draft 1, May 2024, www.che.ac.za).

Programme Matters as Reported into Senate by Quality Promotions and Assurance (QPA) unit

Programmes and Qualifications

In April 2025, the University issued its updated Programme Qualifications Mix (PQM) listing 465 programmes, including 173 master's qualifications to reflect rationalisation and re-registration alignment in preparation for the 2026 PQM cycle.

During the reporting year, UKZN engaged in the Council for Higher Education's Themed Review of Modes of Teaching and Learning. Following engagements between UKZN and the CHE, the submission deadline for the themed review's self-evaluation report (SER) was agreed upon as 31 March 2026. Progress on this matter will be reported on during the next reporting cycle.

The 2025 national *Evolving Trends in Student Engagement Report* highlighted post-COVID-19 shifts towards blended learning and relational engagement, forming a critical evidence base for UKZN's Academic Planning. The report, in which UKZN participated, drew data from the South African Surveys of Student Engagement (SASSE) led by the University of the Free State and was launched at the 2025 Siyaphumelela Conference.

UKZN also participated in the National Review of Initial Teacher Education (ITE) programmes undertaken by the Council for Higher Education. This review focuses on strengthening subject knowledge, pedagogical skills and language competence to improve learner performance. The required Self-Evaluation Report (SER) was finalised and submitted in November 2025. Site visits are scheduled in early 2026.

Programme Registration by the South African Qualifications Authority

The National Qualification Framework (NQF) Committee of the South African Qualifications Authority (SAQA) approved the registration of three programmes in 2025:

- The Postgraduate Diploma in Public Governance and Innovation
- The Master of Commerce in Aerotropolis Management
- The Bachelor of Medical Science, Innovation and Entrepreneurship

The Bachelor of Sports Sciences and Bachelor of Science in Dietetics and Nutrition were fully accredited in 2025. Registration by SAQA on the NQF is still pending.

Accreditation by Professional Bodies

- The Master of Medicine (29 programmes) accreditation visit by the HPCSA took place from 23 to 30 June 2025. The final report from the HPCSA is yet to be received
- The South African Institute of Chartered Accountants (SAICA) conducted a follow-up visit of the Bachelor of Commerce (Accounting) and the Postgraduate Diploma in Accounting (PGDA) programmes on 17 June 2025. SAICA resolved that both programmes remain endorsed

Quality Reviews

The following internal quality reviews were undertaken during the reporting year:

- Postgraduate Diploma in Public Health
- Decentralised Clinical Training Platform in the College of Health Sciences

Short course provisioning

During 2024, Senate endorsed the transitioning of the provision of short courses, previously offered through University Extended Learning (UEL) unit as a stand-alone entity into the Graduate School of Business and Leadership (GSB&L), noting that the finalisation of the process was earmarked for 2025. The University resolved that this would be a Section 197 process, under which all staff were absorbed into UKZN at the time.

Following three Special Resolutions taken by the University Extended Learning (UEL) Board in 2025, the original UEL Memorandum of Incorporation was terminated. The Board proposed that the UEL be incorporated into UKZN with effect from 1 July 2025. The UEL continues as a named divisional unit with the GSB&L, and as the University's flagship platform for all short course offerings under the GSB&L Director: Executive Education.

University Language Policy

UKZN continues to play a leading role in advancing and intellectualising African languages, particularly isiZulu, in support of multilingualism as envisaged in the South African Constitution. Following the introduction of the Language Policy Framework for Public Higher Education Institutions (Department of Higher Education and Training, 2020), the University initiated a comprehensive revision of its institutional Language Policy, shifting from a bilingual orientation to a multilingual framework in alignment with national policy directives.

The policy development process has been complex and guided by an expert task team, led by Professor N Hlongwa, in collaboration with the University Language Board (ULB). The revision process comprises three interrelated components:

- developing the language policy
- formulating a comprehensive language plan
- establishing a supporting budget framework

To date, a draft of the revised language policy has been completed and presented to several institutional structures, including school boards, CAABs, UTLC, UREC, Professional Services Board (PSB), Institutional Forum (IF), and the Executive Management Committee (EMC). Revisions have subsequently been incorporated in response to feedback received during the consultative processes.

The ULB has resolved that all three components of the Policy revision process be finalised in an integrated manner. Accordingly, further consultations will be undertaken with relevant institutional structures to ensure that the language plan and budget are developed concurrently with the Policy itself.

The University Language Board anticipates that the revised Language Policy will be submitted to Council for approval before the end of 2026.

University Capacity Development Programme

The Department of Higher Education and Training's University Capacity Development Programme (UCDP) is a framework designed to improve teaching, learning, research, and leadership in South African public universities, ultimately aiming to enhance quality, success and equity. The 2025 implementation of the UCDP at UKZN demonstrated strong progress across all nine (9) approved projects, reflecting effective programme delivery, sound financial management, and growing institutional impact. The programme's effective implementation and prudent financial management was recognised during a site visit by the Department of Higher Education and Training, which commended the Institution's consistency in monitoring, evaluation and programme delivery.

In support of postgraduate students, the projects include postgraduate student capacity building with 34 outputs, a reach of 2242 participants as well as Academic Monitoring Support (AMS) which seeks to strengthen student academic support structures. With early career academics being a strategic focus at UKZN, projects included: staff credentialing of 43 ECAs, seed funding for 47 ECAs who had completed their PhDs in the previous three years, and a mentorship capacity building project at UKZN. Institution-wide, the UCDP projects included strengthening the scholarship of teaching and learning capacity at UKZN, research capacity building and digital curriculum transformation. Language planning and development remained a strong focus at UKZN, with linguistic training, language advocacy and terminology development being some of the activities undertaken within this project.

Research Publication

UKZN is consistently ranked among the top five research-led universities in South Africa and African based on research outputs, quality, scientific impact and international reputation. In keeping with the 2024 Annual Report, which stated that academics were increasingly focusing on better quality publications compared to previous years, it was pleasing to note that for the 2024 DHET reporting year, a total of 3365 journal articles were approved by the Department from a total of 3427 submissions. Forty-five percent (45%) of these research papers were published in Q1 Journals and 23% in Q2 Journals, an indication of their level of quality. While quality is on the rise, the slight decrease in journal article output in 2024 compared to 2023 has been noted, and research leadership has put various strategies in place to increase research output in keeping with proposals emanating from the strategic restructuring of the Research Office, as recorded in this submission.

SARChI Chairs

The University remains committed to human capacity development and transformation, with significant contributions from female and African researchers. UKZN houses a number of South African Research Chairs Initiatives (SARChI). There are currently eight Tier 1 Chairs and five Tier 2 Chairs.

Chair Holder	Name of Research Chair	Tier	Funding Cycle	Duration of Funding
--------------	------------------------	------	---------------	---------------------

AGRICULTURE, ENGINEERING & SCIENCE

Professor Onesimo Mutanga	Land Use Planning and Management	1	3rd cycle	2023–2027
Professor Paramu Mafongoya	Rural Agronomy and Development	1	3rd cycle	2024–2028
Professor Colleen Downs	Ecosystem health and biodiversity in KZN and the Eastern Cape	1	2nd cycle	2021–2025
Professor Fanie Van Heerden	Indigenous Knowledge Systems	2	2nd cycle	2021–2025
Professor Ann Stark	Sugarcane Biorefining	2	2nd cycle	2023–2028
Professor Muthukrishnavellaisamy Kumarasamy	Waste and Climate Change	1	2nd cycle	Jul 2024–Dec 2025
Prof Alfred Odindo	Rural Agronomy and Development	1	3rd cycle	Jan 2025–Dec 2025

HEALTH SCIENCES

Professor Sabiha Essack	Antibiotic Resistance and One Health	1	2nd cycle	2021–2025
-------------------------	--------------------------------------	---	-----------	-----------

HUMANITIES

Professor Deevia Bhana	Gender and Childhood Sexuality: Violence, Inequalities and Schooling	1	2nd cycle	2021–2025
Professor Hope Magidimisha	Inclusive Cities	2	2nd cycle	2025–2029
Professor Vaughn John	Peace and Justice Education	1	1st cycle	2024–2029
Professor Rozena Maart	The National Question	2	1st cycle	2025–2030

LAW & MANAGEMENT STUDIES

Professor Betty Mubangizi	Sustainable Rural Livelihoods	2	2nd cycle	2023–2028
---------------------------	-------------------------------	---	-----------	-----------

Statutory Grants

The total grant amount in 2025 was higher than in the previous three (3) years, with actual research grant awards totaling R508,2 million – R186.5 million having been generated from National Research Foundation (NRF) grants and R2.6 million from South African Medical Research Council (MRC) grants. Academics are actively taking advantage of the various funding calls from the NRF and MRC and are being supported in this endeavour.

UKZN Press

The UKZN Press has articulated a clear digital transformation vision: “To become a digitally empowered press driving global knowledge impact”. The production of dual-format outputs is a strategic imperative aligned with UKZN Press's stated vision, and UKZN Press intends to produce all future titles in dual formats to expand accessibility, reach and impact.

Secondly, in response to global shifts in scholarly publishing and growing institutional expectations for wider knowledge dissemination, UKZN Press has partnered with the UKZN University Library to utilise its research space platform. This arrangement enables the uploading of selected titles outside the agreed embargo period and at the author's request, thereby extending the visibility and public value of Press publications.

Conferences

UKZN Library

The UKZN Library hosted the International AI Conference in Pietermaritzburg from 16–20 June 2025. The conference, held annually, and attended by both local and international delegates, aims to explore the means by which academic libraries can leverage the use of AI to enhance the services provided to academic communities.

UKZN Teaching and Learning Office

The 3rd Innovations in the Science of Teaching and Learning (iSOTL), themed: “Student Success in the Age of Artificial Intelligence”, was hosted in Durban from 1–3 October 2025 in which 237 delegates attended. International delegates were recorded from India, Canada, the USA, Nigeria, Uganda, Kenya and Eswatini, and 13 South African public Higher Education Institutions were represented.

A panel discussion, including both local and international panel members, considered the question: “Does Age Matter in the Age of Artificial Intelligence? A Higher Education Perspective”.

Many of the conference engagements focused on promoting the science of teaching and learning. A key highlight of the conference was the Innovation Room, which provided a platform to showcase emerging technologies designed to enhance teaching and learning. The space facilitated engagement with new pedagogical tools and demonstrated the Institutions commitment to integrating innovation into academic practice.

Presentations included those by the winners of the competitions: “*I Matter*” poetry composition and *AI Visual Generation*, in which performances received standing ovations for content and

delivery. These student contributions affirm the Institution's strategic focus on student engagement, empowerment and excellence, ensuring that they play an active role and have a meaningful voice in academic discourse.

Student Matters

Composition and size of the student body

The total number of students registered at UKZN in 2025 was 47385, slightly up from the 2024 total of 46 625. The portion of African students increased to 86% (85% in 2024) and the proportion of female students stood at 61.7% (61% in 2024).

Academic Calendar

The Academic Calendar/Sessional Dates for the 2025 academic year were approved by Senate on 11 September 2024.

The 2024 National Senior Certificate (NSC) results were published on 14 January 2025, after which firm offers of places (with/without residence as appropriate) were released.

A dedicated online orientation and registration week – entering undergraduate students for the first time–was hosted by each of the four Colleges during the week 03 February 2025 to 08 February 2025.

A total of 8898 First-Time Entering (FTE) undergraduate students were welcomed in 2025

First semester lectures commenced, as scheduled, on 10 February 2025. The second semester lectures commenced on Monday 21 July 2024. The academic year ended for all students ended on 02 December 2025, with the final release of results on Friday, 19 December 2025.

The Sessional Dates for the 2026 academic year were approved by Senate at its June 2025 sitting.

College Handbooks

The four College handbooks required careful scrutiny and redrafting with the restructured new Schools, scheduled to offer their approved registered qualifications for first entry in 2026, as per Senate approval in 2024.

The 2026 College Handbooks were considered for Senate approval following deliberations by

Schools Boards, College Academic Affairs Boards, and enlarged Academic Rules Committee in support of the academic renewal undertaking. They were approved in the following Senate sittings:

- College of Health Sciences: 10 September 2025
- College of Agriculture, Engineering and Science: 12 November 2025
- College of Humanities: 12 November 2025
- College of Law and Management Studies: 12 November 2025

Strategic Student Recruitment:

To bolster strategic student recruitment, on 19 March 2025, Senate endorsed the establishment of a panel, chaired by the DVC: Teaching and Learning, to develop a tailored recruitment strategy aimed at identifying potential top performers from the National Senior Certificate (NSC), Independent Examinations Board (IEB), and other international examination bodies. This undertaking also aimed to nurture a relationship with such learners and their schools.

Application for Admission

Undergraduate applications for admission to UKZN continue to be received and processed by the KZN Central Applications Office (KZN CAO). The KZN CAO, of which UKZN is a member, remained a critical partner in the National Central Applications Services' pilot project being undertaken by DHET.

Registration

Following a review of Registration 2025, the Registration Task Team reporting into Senate, continued to emphasise harnessing Artificial Intelligence to assist in managing the upcoming 2026 Registration period.

Subsequent to Council approval of the UKZN 2026–2030 Enrolment Plan, Colleges were required to confirm their Intake Plans for 2026 in keeping with the principles inherent in the University Enrolment Plan.

Academic Exclusion Appeals

In keeping with the provisions of the UKZN Academic Monitoring and Support Policy as well as the Senate approved Procedures for Exclusion, the College Exclusion Appeals Committees (CEACOM) and the University-wide Academic Exclusion Appeals Committee (AEACOM) completed the academic exclusion appeals processes for the 2025 academic year (with AEACOM meeting early in January 2026 to consider the final 2025 appeals).

CEACOM, per college, met as follows for the first and second semester of 2025 respectively:

- College of Agriculture, Engineering and Science: 21 July 2025 and 26 January 2026
- College of Health Sciences: 22 July 2025 and 26 January 2026
- College of Humanities: 21 July 2025 and 26 January 2026
- College of Law and Management Studies: 21 July 2025 and 26 January 2026

AEACOM meet on 24 and 25 July 2025 to consider first-semester 2025 academic exclusion appeals, and on 4 and 5 February 2026 to consider second-semester 2025 academic exclusion appeals. Students re-admitted by AEACOM were afforded additional time to conclude their 2026 academic registration, noting that lectures commenced on 9 February 2026.

A total of 1323 undergraduate students were formally advised of academic exclusion and the requirement to appeal for academic readmission. Following consideration of the appeals in CEACOM and AEACOM, 175 students (0.44% of the total undergraduate cohort or 13% of those academically excluded during the 2025 year [n=1323]), were formally issued with letters of final academic exclusion in keeping with the provisions of the UKZN Procedures for Exclusion.

The many support options available to students, including academic, curriculum, and personal counselling are well defined and developed, regularly and routinely advertised, and monitored for uptake. All excluded students are also afforded an “exclusion exit interview” option offered by their School. Given the nature and sensitivity of AEACOM cases, it was agreed that committee members would, themselves, benefit from psychosocial support. A debriefing session for committee members – both staff and student representatives - would henceforth be a routine matter post AEACOM.

Student Fees and Funding

A fee increase of 4.60 % for tuition and 6.60 % for residence was approved by Council in December 2024 for the 2025 academic year. On 1 December 2025, fee adjustments of 4,15 % for tuition and 5,70 % for residence were approved by Council for the 2026 academic year.

There were 38 848 funding awards for the 2025 academic year, with more that R2,9 billion provided for bursaries for 9 082 students, scholarships for 2 002 students, and National Student Financial Aid Scheme (NSFAS) awards for 27 764 students. Funding for postgraduate students remained a challenge. While the University continued to make available significant resources to assist former NSFAS students, there remains a shortfall. The UKZN Foundation continues to reach out to sponsors to assist with corporate bursary funding.

With respect to the NSFAS Private Accommodation Accreditation project, while the University would continue to manage and govern its own residences, the lack of appropriate protocols in this area from NSFAS with regards to its accredited residences remained a risk. Senate expressed concern about the potential impact on students, when residence matters remained unsettled and non-conducive to living and learning. The University will continue to address this matter NSFAS.

Transitioning from High School into Tertiary Education

The formal UKZN First-Year Experience (FYE) modules continue to be undertaken by all first-year undergraduate entrants to facilitate and ensure their successful transition from high school to the University.

The 2025 Beginning University Survey on Student Engagement (BUSSE) Workshop, hosted on 4 September 2025, included cross-institutional participation from North West University (NWU) and Walter Sisulu University (WSU). The workshop generated rich comparative insights into first-year student engagement, and the data has since been imbedded in an interactive institutional dashboard to support data-informed decision-making across Colleges.

Having been awarded a three-year grant from the Kresge Foundation, UKZN has been able to continue its participation in the national Siyaphumelela Network. The UKZN project is strategically overseen by the Student Access and Success Forum (SASF). A flagship action research initiative within this larger project is titled: "Towards Student-Centred Integration of Evidence-Based Practice: Designing, Implementing and Testing Interventions for Student Access and Success", with the explicit intention of creating space for contextually grounded interventions to emerge. Another critical aim for the Siyaphumelela Project is to develop academic Advising Units to strengthen the Academic Monitoring and Support systems at UKZN, with guidelines and procedures for Academic Advising approved by the Siyaphumelela Project team.

Graduation Ceremonies

A total of 9 635 students were conferred with a degree/diploma/certificate during the reporting year.

The University Chancellor, Dr Reuel Khoza, or in the Chancellor's absence, a person appointed to act on behalf of the Chancellor, presided over a total of 26 Graduation Ceremonies held on the Westville campus during 2025.

Autumn Graduation

A total of 8114 students graduated during the 2025 Autumn Graduation season, with 21 graduation ceremonies hosted between the 6 May 2025 and 16 May 2025.

- 5160 graduates received their undergraduate degrees, while 2 954 postgraduate degrees and diplomas were conferred
- Of the postgraduate conferrals, 629 (69% of graduates being African) were master's degree candidates, and 247 doctoral candidates (77% of graduates being African)
- Women constituted 66% of all graduates
- 82% of all graduates were African
- 153 (1.89%) of graduates were international students, 143 being postgraduates
- 674 (13%) graduates entered UKZN through access programmes
- 106 students with disabilities graduated: 72 with an undergraduate degree and 34 with a postgraduate degree/diploma
- 346 graduates (50% African) received their degrees *cum laude* and 139 (30% African) *summa cum laude*

Spring Graduation

Five (5) ceremonies were hosted on the Westville campus on 17 and 18 September 2025, with 1521 students graduating.

- 762 graduates received their undergraduate degrees, while 759 postgraduate degree and diplomas were conferred
- Of the postgraduate conferrals, 406 (71% African) were master's degree candidates and 184 (74% African) were doctoral candidates
- 63% of all graduates were women
- 81% of all graduates were African
- 74 graduates were international students, 72 being postgraduates
- 124 graduates entered UKZN through access programmes
- 20 students with disabilities graduated, 14 with an undergraduate degree and 6 with a postgraduate degree/diploma
- 33 graduates ((52% African) received their degree *cum laude* and 3 (67% African), *summa cum laude*

The following staff were honoured, in appropriate College ceremonies, during the 2025 Autumn Graduation season.

University Fellowship:

- Professor Radhamany Sooryamoorthy (College of Humanities)
- Professor Sabiha Essack (College of Health Sciences)
- Professor Shahidul Islam (College of Agriculture, Engineering and Science)

Distinguished Teacher Awards:

- Professor Andrew-John Bethke (School of Arts)
- Professor André Vosloo (School of Agriculture and Science).

Student Discipline Rules

Following consideration of proposals brought to the Student Disciplinary Rules Consultative Forum, the Student Disciplinary Rules Committee made a number of recommendations to Senate for approval. The substantive amendment recommended was the removal of all references to Residence Tribunals, as matters previously dealt with in this way have increasingly been directly referred to the Student Disciplinary Court, where appropriate processes and resources are in place to attend to residence matters in addition to the routine referrals received from the academic sector.

The proposed amendments, which included a number of editorial amendments, were approved by Senate on 10 September 2025, and noted by Council on 29 September 2025.

Staff matters for the reporting year

Professor Emeritus Appointments

Senate (12 November 2025) approved the following Emeritus Professors:

- Professor Mbongeni Mlaba (School of Arts)
- Professor Relebohile Moletsane (School of Education)

Senior Awards Committee:

The Senior Awards Committee, a Committee of the Senate, at its sitting of 25 November 2025, recommended the following awards.

Vice-Chancellor's Research Award

- Professor Andile Khathi (School of Medicine).

Distinguished Teacher Awards

- Dr Patricia Opondo (School of Arts) – Lifetime Achiever Award
- Dr Nadine Rapiti (School of Medicine) – Lifetime Achiever Award
- Dr Andile Khathi (School of Medicine) – Mid-Career Academic Award

Teaching Excellence Certificates:

- Professor Veena Singaram (School of Medicine) – Catalyst for Change
- Professor Jayaluxmi Naidoo (School of Education) – Collaboration and Leadership in Teaching
- Dr Janine Hicks (School of Law) – Education Outreach Achievement

- Dr Vineet Jeena (School of Agriculture and Science) – Innovation in Teaching
- Dr Shakira Shaik (School of Agriculture and Science) – Education Outreach Achievement

Inaugural Lectures

PROFESSOR	SCHOOL	LECTURE TITLE
John Odhiambo Odindi	School of Agriculture and Science	Optical and thermal Remote Sensing for ecological and agricultural sustainability
Simon Bhekumuzi Khoza	School of Education	Natural-Driven Curriculum Rationale to the Rescue of the Self in the 5IR
Pragashnie Govender	School of Health Sciences	Where Potential Begins... Nurturing Care, Early Detection, and the Intergenerational Power of Possibility
Kingsley Onyebuchi Obodo	School of Agriculture and Science	Building the Future Atom by Atom: Computational Condensed Matter Physics for an African Renaissance
Lelika Lazarus	School of Medicine	Bones, bytes and breakthroughs: Leveraging anatomy in the clinical space
Verusia Chetty	School of Health Sciences	From Margins to Mainstream: Advancing Disability-Inclusive Rehabilitation in the Era of HIV and Beyond
Samson Zeray Tesfay	School of Agriculture and Science	RE: Thinking Plant-Based Secondary Metabolites in Fruits: Tissue Distribution and By-Products/Food Waste Valorisation for Environmental Sustainability
Hangwelani Hope Magidimisha	School of Social Sciences	The State of Readiness for South African Cities: Preparing for Next Floods: A Call to Action
Muhammad Dabai Bala	School of Agriculture and Science	Catalysts of Change: Harnessing Earth-Abundant Metals for a Greener Future

NOTABLE STAFF ACHIEVEMENTS

COLLEGE OF HEALTH SCIENCES

- Professor Jeanne Grace (School of Health Sciences): received of a Lifetime Achievement Award from the Biokinetics Association of South Africa in recognition of her exceptional contribution to the field.
- Professor Pragashnie Govender (School of Health Sciences): appointed to the Ministerial Committee on Mortality and Morbidity of Children.

- Professor Refiloe Masekela (School of Medicine): Awarded the prestigious American Thoracic Society (ATS) World Lung Health Award, recognising her exceptional contributions to global respiratory health research and advocacy.
- Professor Alain Assounga (School of Medicine): Awarded a certificate of Honour by the Congolese Society of Nephrology.
- Professor Quarraisha Abdool Karim (School of Medicine): Awarded a South African Medical Research Council Platinum Award, the Chanchlani Global Health Research Award from McMaster University, and was made a Fellow of the Royal Society.
- Professor Salim Abdool Karim (School of Medicine): Awarded the Chanchlani Global Health Research Award from McMaster University.
- Professor Themba G Ginindza (School of Medicine): Appointed to the Ministerial Advisory Committee on the Prevention and Control of Cancer.

COLLEGE OF LAW AND MANAGEMENT STUDIES

- Professor Donrich Thaldar (School of Law): Appointed as the Lead of the Integrated Platform for Enabling Conditions within the newly established Institute for Pandemic Prevention and Preparedness.
- Ms Nicci Whitear-Nel (School of Law): Recognised by the CCMA for 25 years of commitment to social justice. In addition, she served as an acting judge in the Labour Court.
- Professor Willene Holness (School of Law): Played a significant role in South Africa's Disability 20 (D20) engagements linked to the G20 process, participating in three workstreams between June and November 2025.
- Dr Sheetal Soni (School of Law): Convened and facilitated a multi-stakeholder international webinar in collaboration with the United Nations High Commissioner for Refugees (UNHCR), bringing together representatives from the United Nations High Commissioner for Refugees (UNHCR,) the International Committee of the Red Cross (ICRC), Seefar Foundation, and Pan-African Parliament to identify impactful research areas in international law and also contributed to the report of the UN Special Rapporteur on the Occupied Palestinian Territory, presented to the UN General Assembly (80th Session), supporting legal analysis on occupation, civilian protection, and humanitarian obligations.
- Dr Suhayfa Bhamjee (School of Law): Delivered an oral presentation to the Parliamentary Portfolio Committee on Women, Youth and Persons with Disabilities, contributing evidence-based academic input into national law reform.
- Dr Janine Hicks (School of Law): Spearheaded partnerships with the UNHCR on refugee law support, the Land Court, and Special Master on Labour Tenants to address land claim backlogs; and a multi-stakeholder rural access to justice initiative involving traditional authorities, Legal Aid SA, the National Prosecuting Authority (NPA), and civil society organisations in response to the Traditional Courts Act.

COLLEGE OF AGRICULTURE, ENGINEERING AND SCIENCE

- Professor David Lokhat (School of Engineering): Elected to the executive committee of the South African Young Academy of Science (SAYAS) as Co-Chair to lead the organisation. SAYAS represents young scientists across South Africa, aiming to influence policy decisions, promote science awareness, and support educational activities for research and development and recognised as a finalist for the Institution of Chemical Engineers Global Awards 2025 in the Renewable Energy category for work in mobile hydrogen electrolyser technology.
- Dr Mohamed Fayaz Khan (School of Engineering): Elected to the National Council of the South African Institute of Electrical Engineers and also appointed as the Honorary Vice President.
- Professor Hussein Shimelis (School of Agriculture and Science): Named Fellow of the African Academy of Sciences (AAS) and appointed member of the Governing Board of the International Crops Research Institute for the Semi-Arid Tropics (ICRISAT).
- Professor Fernando Albericio (School of Agriculture and Science): Awarded the first *Chimica Oggi - Chemistry Today* Lifetime Achievement Award presented at the International Oligonucleotides and Peptides Conference (IOPC) in Prague, Czech Republic.
- Professor Vincent Nyamori (School of Agriculture and Science): Inducted into the Academy of Science of South Africa.
- Professor Andrew Green (School of Agriculture and Science): Inducted as a Fellow of the Royal Society of South Africa for 2025.
- Professor Colleen Downs (School of Agriculture and Science): Inducted as a Fellow of the Royal Society of South Africa for 2025.
- Professor Caswell Munyai (School of Agriculture and Science): An entomologist, featured prominently in the award-winning documentary, *Pangolin: Kulu's Journey* (<https://www.netflix.com/title/81708252>)
- Professor Brij Maharaj (School of Agriculture and Science): Appointed by President Cyril Ramaphosa to the Steering Committee of the National Dialogue, where he will represent the faith-based organisations (FBO) sector, joining a select group of leaders tasked with overseeing a citizen-led, society-wide process, aimed at forging a new social compact for South Africa.
- Dr Michelle Tedder (School of Agriculture and Science): Elected President of the Grassland Society of Southern Africa.

COLLEGE OF HUMANITIES

- Professor Nhlanhla Mkhize: Awarded the first South African Humanities Deans Association (SAHUDA) Presidential Special Recognition Medal for exceptional contributions and dedication to excellence in the arts, humanities and social sciences.
- Professor Vivian Ojong: Appointed Chair of the Advisory Board of the African Science Frontiers Initiatives (ASFI).
- Professor Jochen Zeller: Co-Editor of The Oxford Guide to the Bantu Languages (over 1 000 pages, 81 chapters, and over ten years in development).
- Professor Andrew-John Bethke: In 2025, a recipient of one of only two National University Teaching Awards (NUTA) formally conferred on 21 November in Johannesburg.

Conclusion

In summary, UKZN continued to demonstrate resilience and excellence in teaching and learning, and research in 2025. The University's achievements are a testament to the dedication and expertise of our academic staff and the academic leadership and guidance provided by the Senate.

Looking ahead with renewed vigor and determination, UKZN commits to advancing knowledge and scholarship in ways that enrich and transform society in Africa and globally.



Professor N Poku

CHAIR OF SENATE

REPORT OF THE INSTITUTIONAL FORUM (IF)

The Institutional Forum (IF) continued to fulfil its statutory advisory role in 2025, providing a critical platform for stakeholder engagement, deliberation and institutional oversight within the University's governance framework. The Forum remained committed to advancing principles of transparency, inclusivity and accountability in all matters referred to it.

During the reporting period, the IF convened a Special Meeting on 24 February 2025 and an Ordinary Meeting on 5 November 2025. During both engagements, the Forum discharged its advisory mandate to Council on matters of strategic importance.

A significant highlight of the year was the Institutional Forum's consideration of the outcome of the procedure instituted with respect to the appointment of the University Chancellor. At the Special Meeting in February 2025, the Forum deliberated on the nomination received, namely, for the appointment of Dr Reuel Khoza, for a second term of office. Members reviewed the nomination process undertaken, expressing concerns regarding the number of nominations received, while also acknowledging that Institutional Forum members had also received the call for nominations. Members agreed that going forward, similar calls needed to be heeded and attended to at the time. After due consideration, the Forum unanimously supported the appointment and recommended the same to Council; reaffirming the Institutional Forum's role in safeguarding continuity and stability in the University's ceremonial leadership.

In November 2025, the Forum considered a further critical governance matter relating to the appointment of the University Registrar, unanimously endorsing the recommendation for the appointment of Mr Tufts as Registrar, effective 1 January 2026.

The participation of a diverse membership, including representatives from academic staff, support staff, students, unions, Council, Senate, Convocation, and Management, continued to enrich the quality of discussions and the recommendations made. This diversity remains a cornerstone of the IF's effectiveness, ensuring that multiple perspectives inform its advice to Council.

In conclusion, the Institutional Forum has discharged its responsibilities with diligence and integrity during 2025. Its contributions have supported sound decision-making at Council level.



Mr M Mdhluli

CHAIR OF INSTITUTIONAL FORUM (2025)

VICE CHANCELLOR'S REPORT ON MANAGEMENT AND ADMINISTRATION

1. Strategic Context and the case for Institutional Renewal

Contextualised in the wider higher education environment marked by declining public resources, greater competition from private institutions, shifting labour-market expectations, and heightened scrutiny of institutional governance, UKZN is moving through a demanding but necessary institutional reset. Against this backdrop, Project Renewal is positioned not as a narrow restructuring exercise, but as the central mechanism through which UKZN intends to restore academic coherence, improve operational discipline, rebuild stakeholder confidence, and protect the long-term viability of the academic project – thus driving the implementation of the decadal Strategic Plan (2023-2032).

In 2025 the University achieved continuous improvement in registration protocols, met full enrolment targets, strengthened engagement with student leadership, and initiated reforms in teaching and learning, research, doctoral education and student support. At the same time, the University experienced unprecedented funding volatility through the withdrawal of United States research-related support, NSFAS shortfalls, deferred DHET subsidy payments, the risk of fee regulation below institutional cost pressures, physical infrastructure backlogs and steep increases in IT costs. Notwithstanding these challenges, an intensive change agenda was pursued.

Regarding institutional performance in relation to the pre-determined objectives for 2025, UKZN reflected stable performance, with clear strengths in undergraduate access, retention, academic advising, student satisfaction, community engagement, industry partnerships, and the growth in the number of permanent academic staff complement. In particular, the University made substantial progress in strengthening strategic partnerships with key stakeholders during the 2025 reporting period. These partnerships and engagements span industry, government, professional bodies, international organisations, community-based entities and NGOs demonstrating UKZN's commitment to impactful engagement, innovation, and societal relevance through our Memoranda of Understanding with these organisations.

UKZN's strategic centre of gravity is thus clear, the University is attempting to move from a historically fragmented operating model to a more disciplined, academically led and financially sustainable institution. This has required the re-enforcement of academic disciplines, more effective use of resources, tighter accountability in support services, a move towards a modernised IT and data environment, and an enrolment profile that supports both access, success and research productivity.

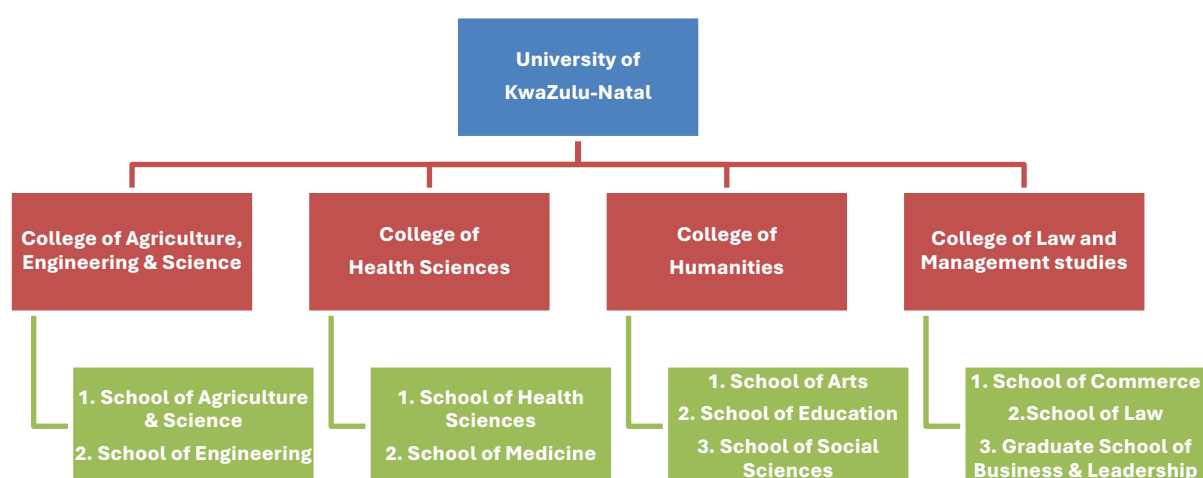
The overarching executive assessment is that UKZN has moved beyond diagnosis of problems and challenges and is now firmly in implementation. The case for renewal is compelling, but the path is exposed to resistance, liquidity constraints, infrastructure risk, and capacity limitations. Council oversight, disciplined sequencing, transparent communication and sustained executive resolve were decisive in converting the present period of strain into a durable institutional recovery in accordance with your Strategy (2023-2032).

2. Project renewal – Fortifying the UKZN College Model

Project Renewal has advanced from consultation, planning and structural design into implementation. In 2025 there were two major and complementary achievements. The first was the reorganisation from 19 Schools to 10 Schools to create academic schools aligned to undergraduate qualifications and disciplinary coherence (Figure 1). The second was the implementation of the approved command-and-control model, intended to unify support-service management, improve delivery to the academic project, and establish clearer governance relationships for teaching, learning, research and innovation.

In 2025 leadership teams had been established, Deans of Schools have been appointed, managerial roles were finalised, and task teams were set up to steer and guide the structural changes into IT systems and administrative processes. Governance structures for Schools and Colleges have also been established, with charters approved by Senate. The newly formed Schools were launched in July 2025 and assumed full academic decision-making authority by September 2025, marking a major governance shift from inherited fragmentation to clearer academic accountability.

Figure 1: UKZN revised College Model



The scale of the change is the most significant academic structural realignment in UKZN's modern history and one of the largest such reorganisations in South African higher education in recent decades. Importantly, the transition was achieved with minimal disruption during 2025 and into the 2026 registration period, indicating that the implementation was managed with materially stronger planning and cross-functional coordination than previous restructuring experiences.

Early benefits reported in 2025 included reduced duplication of academic and administrative functions, clearer lines of accountability between Schools, Colleges and central administration, improved academic coherence across disciplines, and better alignment of resources with academic priorities. The command-and-control model is also beginning to produce more predictable service delivery, clearer escalation pathways, reduced operational fragmentation across campuses, and improved monitoring of support-service performance. While the renewed College model is beginning to clarify responsibility, authority and performance oversight; it is not intended to centralise academic control or erode academic freedom.

The implementation plan spans 2025 to 2028. The first phase of the Project Renewal implementation plan was completed in 2025. The second phase (2026/27) will focus on operational optimisation, further consolidation of the new academic structures and administrative realignment, academic committee reform and the comprehensive overhaul of the IT ecosystem. The final phase (2027/28) will consolidate gains through strategic benchmarks, institutional reviews, efficiency audits and a final assessment of impact.

The main implementation risks are resistance, capacity, and execution discipline and executive management recognises that large-scale change creates legitimate anxiety for staff and students. The success of Project Renewal therefore depends on maintaining a careful balance between firm implementation and empathetic engagement, while ensuring that the academic mission remains the organising principle for all structural, operational and financial decisions.

3. Student services - Strengthening Student Success, Support and Wellbeing

In 2025 the Student Services emerged as both a performance strength and a reform priority. The 2025 registration period was a notable institutional achievement, with UKZN reaching its full enrolment targets within two weeks of opening registration. The University also met its STEM enrolment targets, despite the higher entry requirements in these programmes. This performance was supported by constructive engagement with student leadership, investment

in registration systems, and improvements in digital communication and online processing. Several operational improvements were material and included enhancements to the UKZN website, a move away from email-based communication toward the diffusion of automated ticketing systems (FreshDesk) and AI-supported ChatBots to improve the student experience. However, the student funding landscape is becoming more difficult. NSFAS funding for first-time entering undergraduates has declined from 82% in 2024 to 79% percent in 2025. Misalignment between NSFAS timelines and the academic calendar had created registration holds, presenting a financial risk for the University and stress for students. These issues reinforce the need to align student support, registration planning, funding administration and academic continuity.

The year 2025 also marked a decisive shift in psychosocial and academic support. Council-approved the centralisation of Student Academic Support Services across all campuses, with Student Support Services Centres designed to provide a single, accessible point of entry irrespective of academic affiliation. Moving forward, the proposed model will cover trauma counselling, mental health referrals, group-based psychosocial support, learning assessments, life skills workshops, crisis intervention and career guidance. The Office of the Dean of Student has been relocated under the Deputy Vice-Chancellor for Teaching and Learning, signalling that student wellness and development are core elements of the students' academic journey rather than ancillary services.

Postgraduate and doctoral support was also strengthened in 2025. To mitigate against the risk of declining postgraduate enrolment, slower completion and doctoral attrition Senate approved the planned first-year PhD curriculum and Doctoral Researcher Development Framework in 2025. These are intended to provide structured induction, research design training, ethics and integrity grounding, scholarly writing support, professional development, milestone tracking, mentorship and peer networks. Moreover, these interventions are designed to reduce attrition, improve research quality and strengthen UKZN's research-intensive identity. Student accommodation and safety remain a persistent and prominent concern in 2025. While newer residences built between 2017 and 2020 are reported to meet current regulatory standards. A specialist firm is preparing compliance documentation for all residences, while some buildings await municipal clearance.

The scale of UKZN's academic footprint and the importance of sustaining student success, progression and completion across all Colleges is evident in Table 1. In 2025 UKZN enrolled 47 385 students and produced a total of 11 055 graduates, of whom 7 332 were undergraduate graduates.

Table 1: Headcount enrolments and graduates in 2025

College	Headcount enrolments in 2025	Number of UNDERGRADUATE graduates in 2025	TOTAL Number of graduates in 2025
College of Agriculture, Engineering & Science	10 272	1 103	1 711
College of Health Sciences	6 479	770	1 239
College of Humanities	22 355	4 555	6 077
College of Law and Management Studies	8 279	904	2 028
UKZN TOTAL	47 385	7 332	11 055

4. Finance and administration – Stewardship, Liquidity and Institutional Stability

In 2025 the financial picture is mixed. While our financial statements show disciplined financial management and broad alignment with the approved budget supported by investment gains, funding shocks have materially changed the University's risk profile. The DHET-approved percent fee increase for tuition income and residence fee income combined with the NSFAS shortfall and the deferral of the final DHET subsidy payment created a negative revenue impact for UKZN estimated at over R500 million for the 2025 financial year.

These developments created pressures on cash flow, and the consequences are not confined to finance. Liquidity constraints require difficult trade-offs between immediate continuity and longer-term strategic priorities. They also threaten the University's ability to sustain academic and infrastructural renewal, maintain stakeholder confidence and protect competitiveness. Management's mitigation agenda includes cost containment, strategic reprioritisation, revenue diversification, international engagement, operational innovation and ongoing stakeholder consultation.

Earmarked funding requires tighter execution discipline. And points to a need for stronger project management, procurement readiness and monitoring, particularly where delays could compromise year-end utilisation.

5. Human resources – Strengthening Institutional Capability, Accountability and Culture

Human resources is a central determinant of whether the structural reforms envisaged in Project Renewal succeeds.

UKZN's historical operating model created blurred accountability, uneven workloads, underdeveloped capabilities and a structural disconnect between academic staff and support staff. In 2025 the academic staff comprised 28% of all staff. Moreover, a large proportion of academic staff are early career academics (ECAs). Rebalancing this staff profile makes academic development, workload alignment, mentorship, recruitment control and leadership capacity essential to the University's future.

Consequently, the development of early-career academics was identified as an important human resources intervention in 2025. Various consultations with ECAs in 2025 revealed that they often face isolation, under-resourcing, inadequate mentorship, pedagogical overload and practical constraints such as lack of access to working equipment. In response, UKZN has launched a Senate-approved strategy involving grant-writing bootcamps, mentorship accelerators, an Early-Career Advisory Board, a career progression framework, workload planning and a Teaching Preparation Programme. The intent is to shift from symbolic inclusion to substantive investment in the next generation of scholars. Moreover in 2025, the emerging academic programme continued to make progress as outlined in Table 2.

Table 2

Name of Programme	Total participants since inception	Number of participants completed	Current Active participants in 2025
New Generation Academic Programme (NGAP)	37	11	25
Accelerated Academic Development Programme (AADP)	90	77	13
Talent Excellence and Equity Acceleration Scholarship (TEEAS)	29	15	14
Nurturing Emerging Scholars Programme (NESP)	8	2	5

Skills gaps among support staff in areas such as infrastructure, facilities, IT and security are material. Decades of insufficient core skills development have undermined project oversight, contractor management and efficient delivery, contributing to abandoned projects, escalating costs and fruitless expenditure. The IT department faces critical shortages that have increased dependence on outsourcing and elevated cybersecurity and integrity risks. To this end, the University has invested in training and development. In 2025 a comprehensive training plan delivered 78 programs to 1,833 employees focusing on skills development, leadership, digital proficiency, and compliance.

Staffing and Employment Equity

Table 3 presents a summary of the UKZN workforce profile against the Employment Equity Plan targets as at 31 December 2025. In addressing its equity targets, the University is actively working to balance the over and under-representation of the workforce within the respective occupational categories as and when positions become available, and during the recruitment processes. In 2025 the University recruited 304 permanent employees comprising 52% females. In addition, 60 academic staff were promoted.

Table 3

Occupational Level		Male				Female				Foreign Nationals		Total
		A	C	I	W	A	C	I	W	M	F	
Top Management	Actual	5	0	1	1	3	0	0	1	1	0	12
	Target	5	0	1	1	4	0	0	0	1	0	12
	Difference	0	0	0	0	-1	0	0	1	0	0	0
Senior management	Actual	10	1	2	8	16	3	6	2	5	3	56
	Target	12	1	3	8	17	3	6	3	4	2	59
	Difference	-2	0	-1	0	-1	0	0	-1	1	1	-3
Professionally qualified and experienced specialists and mid-management	Actual	50	3	59	44	36	6	66	38	92	15	409
	Target	69	3	48	41	50	4	57	29	83	17	401
	Difference	-19	0	11	3	-14	2	9	9	9	-2	8
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	Actual	569	31	223	88	848	54	398	152	68	27	2458
	Target	631	28	195	77	827	46	328	127	58	25	2342
	Difference	-62	3	28	11	21	8	70	25	10	2	116
Semi-skilled and discretionary decision making	Actual	597	4	45	4	479	14	36	7	2	4	1192
	Target	622	8	49	7	499	13	40	8	4	4	1254
	Difference	-25	-4	-4	-3	-20	1	-4	-1	-2	0	-62
Unskilled and defined decision making	Actual	117	0	3	0	523	0	0	1	0	1	645
	Target	146	0	8	2	493	0	4	2	0	1	656
	Difference	-29	0	-5	-2	30	0	-4	-1	0	0	-11
TOTAL PERMANENT		1348	39	333	145	1905	77	506	201	168	50	4772
Temporary employees		85	0	6	6	118	3	8	6	3	3	238
GRAND TOTAL		1433	39	339	152	2023	80	514	207	171	53	5010

Table 4 shows the senior staff appointed in 2025.

Table 4

Role	Name
Dean and Head of School of Arts	Prof Nobuhle Hlongwa
Dean and Head of School of Social Sciences	Professor Federico Settler
Dean and Head of School of Education	Professor Emmanuel Mgwashu
Dean and Head of School of Health Sciences	Professor Percy Mashige
Dean and Head of School of Medicine	Prof Refiloe Masekela
Dean and Head of School of Agriculture and Science	Professor Ademola Olaniran
Dean and Head of School of Engineering	Professor Glen Bright
Executive Director and Dean of Graduate School of Business & Leadership	Prof Serestina Viriri
Dean of Teaching & Learning – College of Law & Management Studies	Prof Bomi Nomlala
Dean of Research – College of Law & Management Studies	Prof Phocenah Nyatanga
Dean of Teaching & Learning – College of Humanities	Professor Ruth Hoskins
Dean of Research – College of Humanities	Professor Vivian Bese Ojong
Dean of Research – College of Health Sciences	Professor Bongani Nkambule
Dean of Teaching & Learning – College of Health Sciences	Professor Sinegugu Duma
Dean of Teaching & Learning – College of Agriculture, Engineering and Science	Professor Naven Chetty
Dean of Research – College of Agriculture, Engineering and Science	Professor Rituparno Goswami

The human resources agenda is ultimately a culture-change agenda. In 2025 staff and organised labour had legitimate concerns about disruption, terminology, role changes and workload exposure. Management's task was to engage these concerns transparently without diluting the institutional imperatives of accountability, capability and service delivery. Renewal at UKZN demands that the reforms must build confidence among staff who are not responsible for historical failures while ensuring that conduct, performance and governance weaknesses are addressed decisively.

6. Sustainability – Securing Long term Resilience and Strategic Viability

Financial sustainability is core to the successful implementation of the Strategic Plan (2023-2032) and cannot be achieved through short-term austerity alone; it also requires a coherent alignment of academic strategy, enrolment planning, research productivity, infrastructure investment, third-stream income, administrative efficiency, cyber resilience and stakeholder confidence. In 2025 the implementation of Project Renewal drove the structural reform. In addition, the Council approved the Enrolment Plan (2026-2030) which serves as a key financial sustainability steering instrument.

External income is a vulnerability and opportunity. The withdrawal of funding from various United States agencies created an immediate annual loss estimated at R100 million and threatened research institutes that contributed disproportionately to grant-income, publications and PhD training. Executive management have put in place mechanisms to support affected academic groups in securing alternative funding and to retain highly qualified researchers where possible. The governance of UKZN Foundation will be further strengthened to improve donor confidence and long-term fundraising capacity.

Several strategic partnerships and asset opportunities support the sustainability agenda. The Youtility collaboration involves a R30 million investment in renewable energy infrastructure at Westville Campus, with the potential to reduce reliance on municipal power, enhance energy resilience, cut the carbon footprint, create student learning opportunities and generate shared value through NewCo. ASRI's independent Board is intended to guide an institute positioned in the commercial space launch sector.

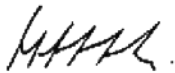
In 2025 infrastructure sustainability remained a significant risk due to ageing infrastructure and a maintenance backlog estimated in excess of R2 billion. To address this backlog Management has shifted to a programme-based infrastructure approach aligned to the strategic master plan, with a 10-year Capex realignment beginning in 2026. The first phase is focused on critical academic and research space improvements, while later phases include beautification and expansion. Financial sustainability will therefore depend on prioritising urgent safety and academic needs, deferring lower-impact work, strengthening infrastructure project governance and securing external investment.

IT governance was also among the top material risks identified in 2025. UKZN's enterprise resource planning (ERP) environment is aged. Legacy customisations and peripheral systems have created compatibility issues with more modern technologies, increased maintenance costs and complicated necessary changes to the ERP. Moreover, in 2025 there were sharp

price increases for the university's licensing of ITS. The cyber-risk position is also a serious risk. While they were managed effectively, the university has experienced several major breaches or failures in 2025. For this reason, the university began the process of reviewing its IT ecosystem. A sector-level task team has been established in 2025 to lead a 24-to-36-month programme that includes redesign of core systems, modernisation of infrastructure, and strengthening of data governance and security protocols. A Multi-Functional Sourcing Team will oversee procurement and implementation, while legacy systems are to be migrated onto modern platforms with structured training for staff and students. Targeted improvements in student administration, human resources and financial oversight are envisaged as key outcomes for 2026.

The IT governance requirement is therefore clear. Council and management treat IT as a strategic risk and sustainability enabler, not a back-office utility. Effective oversight will cover IT investments, procurement integrity, data governance, cyber resilience, service continuity, user adoption and measurable benefits to the academic project.

In order for UKZN to remain financially sustainable the university has to grow selectively, improve productivity, diversify revenue, reduce leakage from poor controls, and invest in the systems that protect continuity. The University is not yet insulated from external funding shocks, which is why the Sustainability Strategy was reviewed and updated in 2025 and serves as a coherent framework for linking academic renewal with fiscal recovery.



Professor N Poku

VICE-CHANCELLOR AND PRINCIPAL

REPORT OF THE AUDIT AND RISK COMMITTEE FOR THE YEAR ENDED 31 DECEMBER 2025

The Audit and Risk Committee presents its report for the financial year ended 31 December 2025, in terms of the 2014 Regulations for Reporting by Public Higher Education Institutions as per section 41, read in conjunction with section 69 of the Higher Education Act, Act No. 101 of 1997.

The overall purpose and objective of the Audit and Risk Committee is to assist Council in fulfilling its oversight responsibilities with respect to financial reporting, internal control and management of risks, the audit process and the University's processes for monitoring compliance with laws and regulations, its predetermined objectives and own code of conduct.

The Audit and Risk Committee has a minimum of five external members. Three are external members of Council, one of whom is appointed as the Chair by the Council Membership Committee, and two external members with appropriate expertise, appointed by the Council. The Vice-Chancellor and Principal is an Ex Officio member. All external members of the Committee are independent of the University, and are neither employed by the Institution nor students at the Institution. The Chair of Council is not a member of the Audit and Risk Committee.

The Chair of the Audit and Risk Committee holds a Doctoral qualification, while two other members of the committee hold postgraduate qualifications. Members of the audit committee, collectively, have broad-based experience and expertise in auditing, business administration, commerce, finance, law, management, risk management as well as experience in other Audit and Risk Committees.

During 2025, the Committee held four ordinary meetings (11 March 2025, 10 June 2025, 16 September 2025 and 18 November 2025) and a Joint Sitting with the Finance Committee (13 June 2025) to consider the Audited Annual Financial Statements and Part A of the Annual report, for recommendation to Council.

The meetings were attended by the appointed independent External Auditors, Internal Audit, and designated members of the Executive and Senior Management. The Auditor General's Office is routinely invited and provided with the meeting agenda, however, a representative from that office only attended one meeting during the reporting year.

Both the External and Internal Auditors had unrestricted access to the Audit & Risk Committee, which ensures that their independence is in no way impaired. The Committee has considered and is satisfied with their independence.

The Committee conducted its duties in compliance with its Council-approved terms of reference, as recorded in the Committee's Charter, and is satisfied that it has discharged its responsibilities in 2025 as set out in the Regulations as follows;

- Followed up on a regular basis that all items raised in the 2024 annual audit management letter and internal audit reports were addressed and that actions taken to address these issues are in place and effective.
- Ensured that regulatory documents, including policies, are in place to ensure the protection of University's assets from loss or unauthorised use and reporting to the Department on material losses arising from unauthorised or illegal actions and actions taken to remedy the situation.
- Approved and monitored the scope, adequacy and effectiveness of the Internal Audit Function, which is captured in the Internal Audit Charter.
- Reviewed reports from Legal Services; Forensic Services; Internal Audit; Enterprise Risk Management; the Combined Assurance Committee and made recommendations to Management as appropriate.
- Received a Chair's Feedback Report from Council at each meeting of the Committee.
- Evaluated the legislation, regulatory and code compliance mechanisms.
- Evaluated the effectiveness of risk management, controls and the governance processes.
- Monitored the appropriateness of the University's combined assurance framework.
- Reviewed the external audit findings, annual audit management letters, and report on the annual financial statements. Predicated on Universities being classified as Public Interest Entities (PIE) with effect from the audit for the 2025 financial year, agreeing that the materiality level would be reduced from 3% to 2% for the 2024 audit, in preparation for a further reduction to 1% for the 2025 Audit, as required for Public Interest Entities.
- Approved the 2025 external audit fees and engagement plan.
- Reviewed the annual financial statements in conjunction with the Finance Committee and, after due deliberation and discussion with external auditors recommended the financial statements to Council.
- Reviewed, with the Finance Committee, the Committee Charter for the Joint Sitting of the Audit and Risk Committee and the Finance Committee, recommending same to Council for approval.
- Reviewed the UKZN Turn-Around Strategy, supporting its presentation to Council for approval.

Risk Management

- The Committee considered all issues of risk which may result in some form of exposure for the University by maintaining a risk register and reporting system that enabled it to monitor changes in the University's risk profile and gain an assurance that risk management is effective.
- Management's risk mitigation strategies for the identified strategic risks were monitored, with

the committee considering a revised Institutional (Strategic) Risk Register in November 2025. Management resolved that the Institutional (Strategic) Risk Registrar be streamlined to contain no more than ten strategic risks, aligned to international best practice, focusing on high-impact risks that threaten the Institution's core mission, long term sustainability and/or regulatory standing. The residual exposure for all strategic risks has been measured at levels within the approved risk appetite, with the Risk Working Group established to oversee internal processes.

- The Committee continued to exercise oversight on significant exposures, including material issues of fraud, compliance and technology risk. It also considered findings of internal investigations into control weaknesses, fraud, misconduct and Management's response thereto.
- Oversight on fraud risk management included the quarterly consideration of matters reported through the independent tip-off facility, the results of forensic investigations and Management's response thereto. The Committee also noted management's annual plan for promoting fraud prevention awareness as well as a cybersecurity awareness campaign.
- In terms of legal risk, the Committee considered and expressed a view on the costs and merits of appealing or settling cases, noting the need to balance legal costs against the University's interests.

Internal Audit and Systems of Internal Control

- The University's Internal Audit Function, through execution of its operational plan, provides independent assurance that the internal control environment across all the University's operations is adequate and operating effectively.
- Following approval of the 2025 Internal Audit Operational Plan, the internal auditors have apprised the Committee at its scheduled meetings on the status of the deliverables on the approved internal audit plan. The Committee monitored the resolution of internal audit findings on all the completed audits.
- The outcomes of Internal Audits indicate that sustained effort is required to improve the internal control environment.
- The University's external auditors, have assessed the key internal financial controls on an annual basis and found that, while controls are primarily adequate, there are areas where the control environment can be improved and various recommendations were made.

Information Technology Governance

While continuing to monitor the corrective steps taken to address IT risks identified through established assurance activities, the Committee received assurance from Management that the University would be addressing identified IT infrastructure challenges holistically through a strategic project over the next two years, to ensure that the IT Infrastructures supported the academic project into the future.

Values and Ethics

The Committee considered the revised Staff Code of Conduct and Management's planned awareness campaign.

Combined Assurance

The Committee oversaw the implementation of the Combined Assurance Framework and the activities of the Combined Assurance Committee and assurance activities addressing the Institutional risks. The Committee also endorsed the revision of the Framework.

Recommendation of the Annual Report for Approval by Council

The Committee, in conjunction with the Finance Committee, recommended the 2024 Annual Report for approval by Council.



Dr M Sibanda

CHAIR OF AUDIT AND RISK COMMITTEE

ANNUAL FINANCIAL REVIEW

The University of KwaZulu-Natal (UKZN) continues to focus on ensuring good financial management practices and responsible stewardship. Predicated on previous financial projections which showed significant deficits, management has continued to institute a range of interventions under Project Renewal with the explicit aim of not just ensuring the short-term financial viability of the University but also the long-term sustainability of the academic project. This annual financial review should be read in the context of the interventions currently being implemented. The consolidated annual financial statements provide a comprehensive record of the University's financial position, operations, performance and cash flows for the year ended 31 December, 2025.

1. Overview of 2025 Consolidated Annual Financial Statements

	2025 R'000	2024 R'000	Variance R'000	Variance %
Total Income	7 108 004	7 200 232	(92 228)	-1%
Total Expenditure	5 604 409	5 850 176	(245 768)	-4%
Net Result	1 967 000	1 571 441	395 559	25%
Total Assets	19 551 400	17 024 423	2 526 977	15%
Total Funds	15 192 364	12 779 773	2 412 591	19%
Total Liabilities	4 359 036	4 244 650	114 386	3%

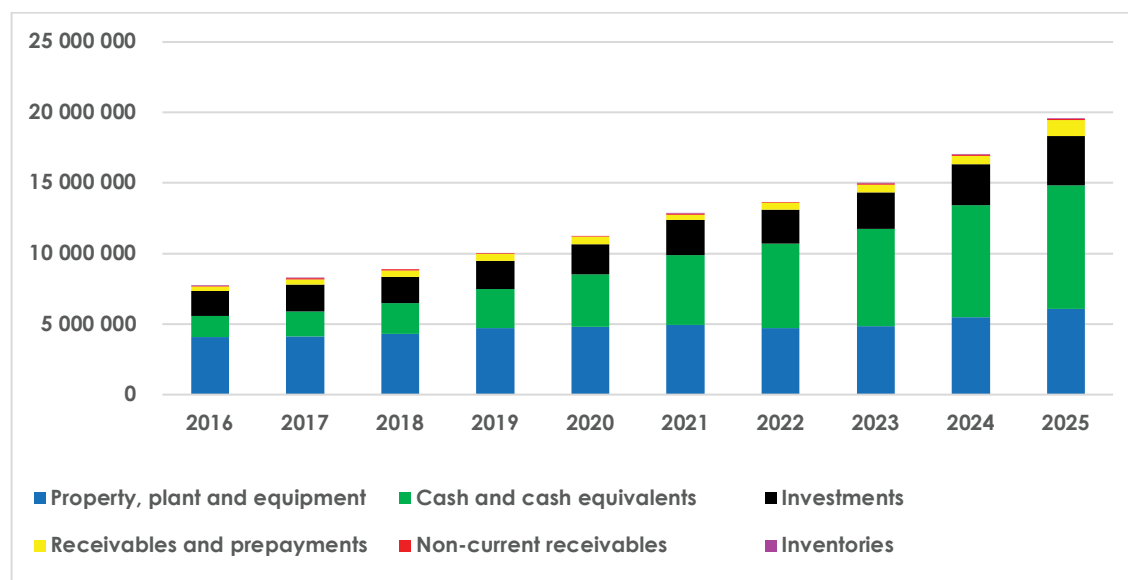
A total of 76% (2024: 80%) of the net result relates to the following non-cash gains:

Description	2025 R'000	2024 R'000
Deferred grants released to income	180 756	179 031
Reinvested income from investments	852 439	855 140
Unrealised fair value adjustments on long term investments	463 405	221 386
Totals	1 496 600	1 255 557

2. Consolidated Statement of Financial Position

The consolidated financial position of the University as at 31 December, 2025, together with comparative figures for 2024, is set out in the consolidated annual financial statements.

2.1 Analysis of Total Assets (R'000)



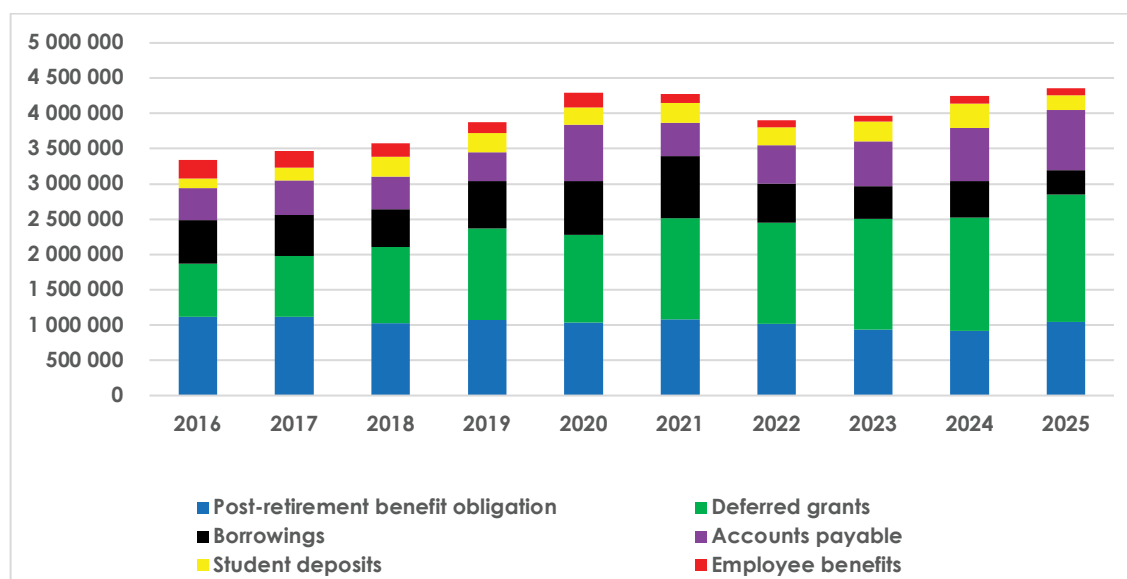
Total assets at 31 December, 2025 amounted to R19,5 billion (2024: R17,0 billion), an increase of R2,5 billion (15%) compared to 31 December, 2024. This is attributable mainly to the increase in cash and cash equivalents, property, plant, and equipment, receivables and prepayments, and investments.

Net student fees receivable amounted to 24% (2024: 23%) of the total receivables and prepayments balance at 31 December, 2025. Recovery of student debt continues to be a challenge for the University with the gross student debt at the end of 2025 (R2,9 billion) showing a 8% increase (R233,3 million) when compared to the gross student debt at the end of 2024 (R2,7 billion).

Trade and other receivables have shown an increase due to the inclusion of R203 million accrued block grant for 2025 received in 2026 and a reversal of the loss allowance on debt receivable from the KZN Department of Health for the joint health establishment. This had been provided for in full at the end of 2024 and a significant portion of the debt was subsequently received in May 2025.

In line with the University's accounting policy, a full independent valuation of land and buildings was performed as at 31 December, 2025 and a revaluation of R573,6 million has been made to take into account identified changes in the market values of the land and buildings.

2.2 Analysis of Total Liabilities (R'000)



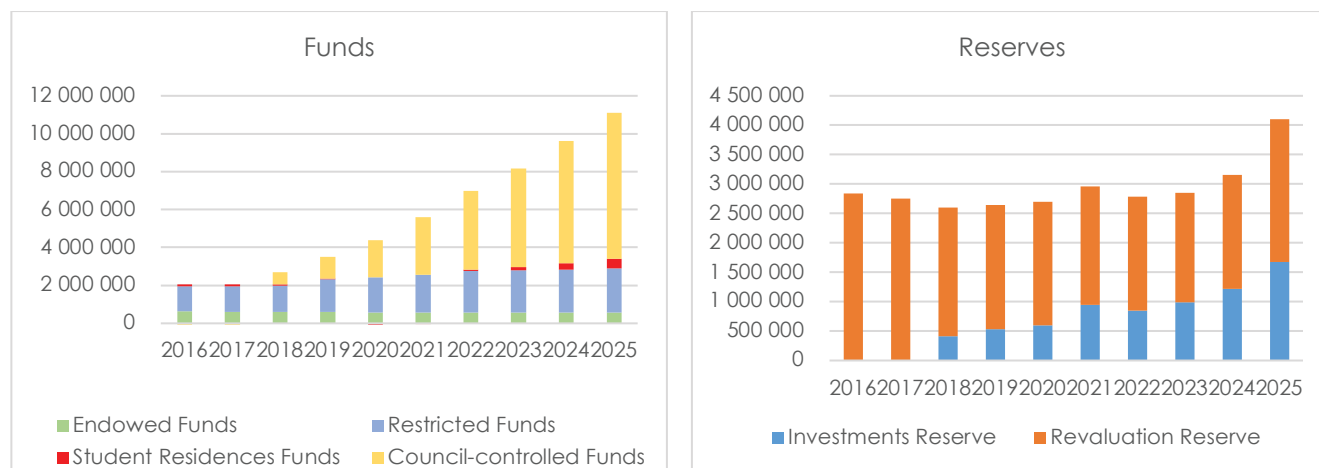
During the year, total liabilities increased by R114,3 million (3%) and amounted to R4,3 billion (22% of total assets) at 31 December, 2025 compared to R4,2 billion (25% of total assets) at 31 December, 2024.

There were no new borrowings during the year and there have been no significant unusual movements in the University's borrowings except for the annual repayments of finance costs and capital and the adjustments relating to the finance lease liability arising from the application of accounting standard IFRS16.

The post-retirement obligations do not entail short term cash-based liabilities. However, it has been acknowledged that there is a need to implement strategies to mitigate the risks associated with this escalating liability. The University has completed the assessment of the practicalities of implementing the required risk mitigation strategies with implementation deferred to allow the University time to accumulate the required financial resources which are significant. Included in post-retirement obligations is a pension and provident fund asset of R207,4 million (2024: R180,6 million) which relates to a fund surplus that was recognised for the first time in 2021 as required by accounting standard IFRIC14 – IAS9: The limit on a defined benefit asset.

Deferred grants also do not entail short term cash-based liabilities and relate to funds received and spent that have not yet been recognised as income in the consolidated statement of profit or loss in line with accounting standard IAS20 (Government Grants).

2.3 Analysis of Funds and Reserves (R'000)



At 31 December, 2025 there was a net movement in funds and reserves of R2,4 billion (19%). The movement is categorised as follows:

- Council controlled funds: increase of R1,2 billion
- Student residences funds: increase of R172,2 million
- Restricted funds: increase of R85,8 million
- Endowed funds: decrease of R21,5 million
- Investments reserve: increase of R463,4 million
- Revaluation reserve: increase of R484,4 million

3. Consolidated Statement of Profit and Loss for the Year

The consolidated financial results of the University for the year ended 31 December, 2025, together with comparative figures for 2024, are set out in the consolidated annual financial statements.

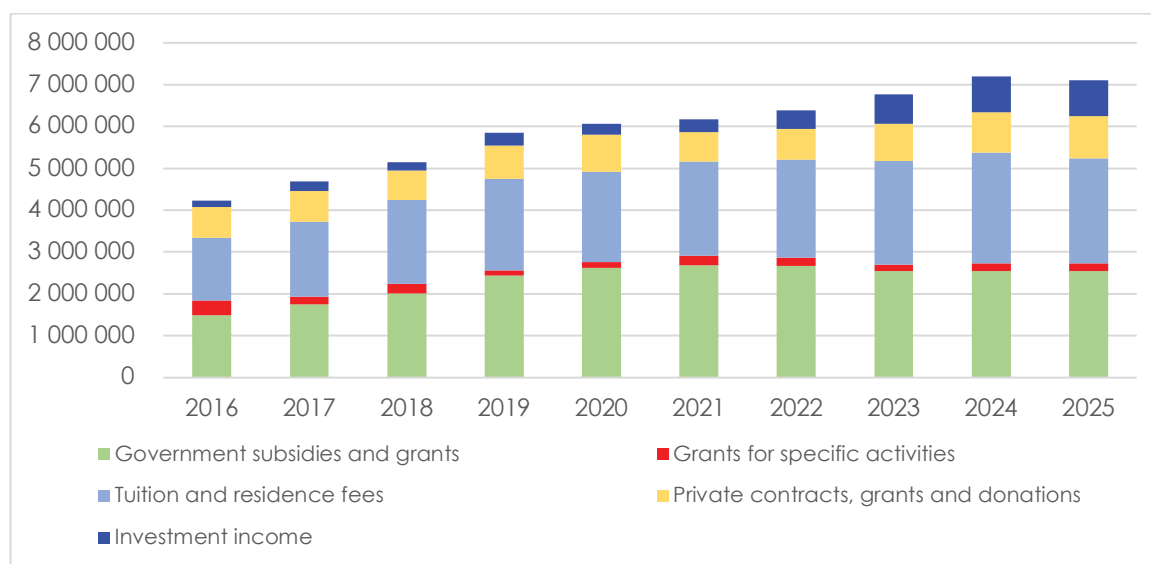
A consolidated net result of R1,9 billion has been reported for the year ended 31 December, 2025 compared to R1,5 billion for the year ended 31 December, 2024 – an increase of 25%.

While this is a pleasing net result which attests to the initial outcomes of the implementation of management's interventions under Project Renewal, it is important to note that R1,4 billion (76%) of the 2025 net result relates to the following non-cash items:

- Deferred grants released to income: R189,7 million
- Reinvested income from short term and long-term investments: R852,4 million
- Unrealised fair value gain on long term investments: R463,4 million

The fair value adjustments on investments arise from changes in market conditions and due to the volatility of the market conditions and activities, these gains and losses are uncertain and vary significantly from year to year.

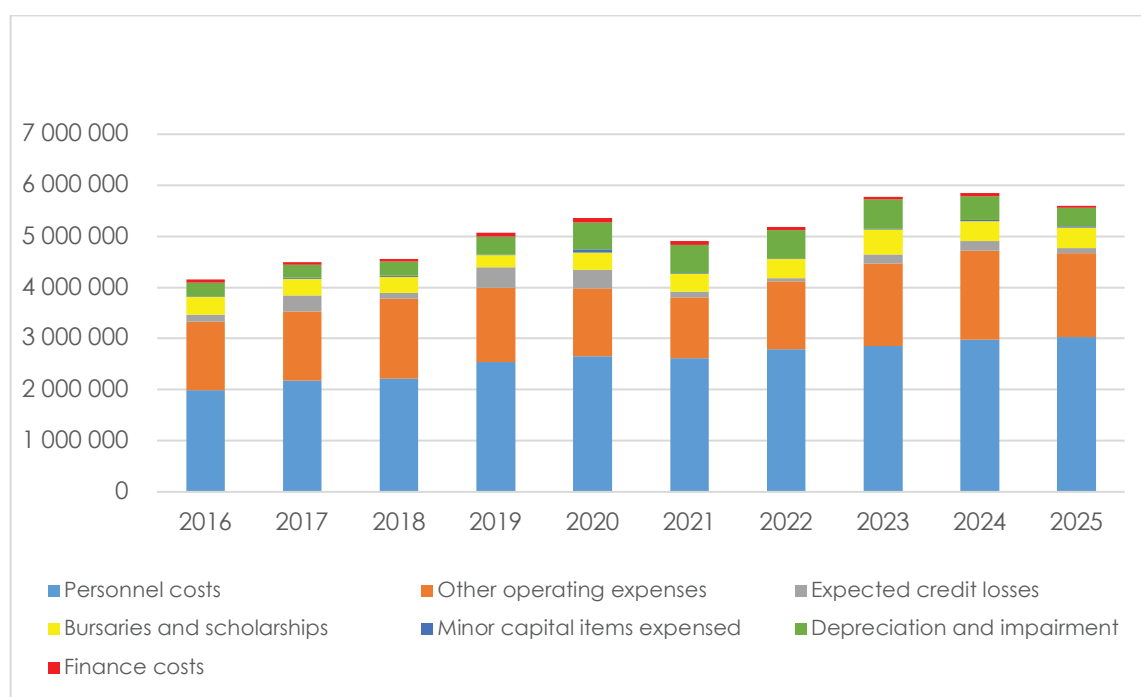
3.1 Analysis of Total Income (R'000)



Total recurrent income has decreased by R92,2 million (1%) from R7,2 billion in the prior financial year to R7,1 billion in the current financial year. This net decrease can be accounted for as follows:

- Government and other grants and subsidies: decrease of R3,2 million (0%)
- Grants for specific activities: increase of R1,7 million (1%)
- Tuition and other fees income: decrease of R123,0 million (5%)
- Private contracts, grants and other income: increase of R35,1 million (4%)
- Investment income: decrease of R2,7 million (0%).

3.2 Analysis of total expenditure (R'000)



Total recurrent expenditure has decreased by R245,7 million (R4%) from R5,8 billion in the prior financial year to R5,6 billion in the current financial year. This net decrease can be accounted for as follows:

- Personnel costs: increase of R56,0 million (2%)
- Other operating expenses: decrease of R105,2 million (6%)
- Expected credit losses: decrease of R82,9 million (46%)
- Bursaries and scholarships: increase of R5,3 million (1%)
- Depreciation, minor capital items and finance costs: decrease of R119,0 million (28%)

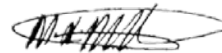
4. Conclusion

The University's significant reliance on the State for funding means that its financial outlook for the short and medium term remains negative given the need for government to make significant investments towards supporting the economy. At this stage there is no clarity on the outlook for state funding for 2027 and beyond but given the economic outlook it is safe to expect that funding will decline in real economic terms. Against this background, it remains critical for UKZN to consolidate its efforts in the implementation of the range of interventions that are envisaged to reposition the University for long-term sustainability.



Ms N Mbhele

CHIEF FINANCE OFFICER



Mr N Motsatse

CHAIR OF FINANCE COMMITTEE

CONSOLIDATED FINANCIAL STATEMENTS

	Page
Council's Statement of Responsibility	87
Approval of the Consolidated Financial Statements	87
Independent Auditor's Report	88 – 106
Consolidated Statement of Financial Position	107
Consolidated Statement of Profit and Loss and Other Comprehensive Income	108 – 109
Consolidated Statement of Changes in Funds and Reserves	110
Consolidated Statement of Cash Flows	111
Accounting Policies	112 – 125
Notes to the Consolidated Financial Statements	126 – 157

University of KwaZulu-Natal

Consolidated Financial Statements for the year ended 31 December 2025

Council's Statement of Responsibility for the Consolidated Annual Financial Statements

The consolidated annual financial statements ("the financial statements") presented on pages 107 to 157 of this annual report for 2025 have been prepared in accordance with International Financial Reporting Standards ("IFRS") and in the manner required by the Minister of Higher Education and Training in terms of the Higher Education Act (No. 101 of 1997), as amended. Compliance with IFRS requires, inter alia, management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. The Council also prepared other information as required to be included in the annual report and is responsible for both its accuracy and consistency with the financial statements.

The Council acknowledge that they are ultimately responsible for the system of internal financial control established by the University and place considerable importance on maintaining a strong control environment. To enable management to meet these responsibilities, they set standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the University and all employees are required to maintain the highest ethical standards in ensuring the University's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the University is on identifying, assessing, managing and monitoring all known forms of risk across the University. While operating risk cannot be fully eliminated, the University endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints. The Council of the University is also responsible for the controls over, and the security of the website and, where applicable, for establishing and controlling the process for electronically distributing annual reports and other financial information to the respective stakeholders. These responsibilities have been delegated to management.

The going concern basis has been adopted in the preparation of the financial statements. The Council has no reason to believe that the University of KwaZulu-Natal will not be a going concern in the foreseeable future, based on forecasts and available cash resources. The viability of the University is supported by the financial statements and the continued implementation of interventions that seek to ensure that the University strengthens its financial position in the future.

These financial statements have been audited by the independent auditors, KMPG Inc., who were given unrestricted access to all financial records and related data, including minutes of meetings of the Council and all its Committees. The Council believes that all representations made to the independent auditors during their audit were valid and appropriate.

Between the year end and the date of this report, no material facts or circumstances have arisen that materially affect the financial position and results of operations as of and for the year ended 31 December 2025.

Approval of the Consolidated Annual Financial Statements

The consolidated financial statements set out on page 107 to 157, which have been prepared on the going concern basis, were approved by the Council on 29 June 2026, and were signed on its behalf by:



Ms K Mthimunye
Chair of Council



Dr M Sibanda
Chair of the Audit and Risk Committee



Professor N Poku
Vice-Chancellor and Principal



Mrs N Mbhele
Chief Finance Officer



KPMG Inc
6 Nokwe Avenue, Umhlanga Ridge
Durban, 4000
PO Box 1496, Durban, 4320, South Africa
Telephone +27 (0)31 327 6000
Fax +27 (0)31 337 1157
Docex 246 Durban
Web <http://www.kpmg.co.za/>

a

Independent auditor's report to the Council and the Minister of Higher Education and Training on the University of KwaZulu-Natal

Report on the audit of the Consolidated financial statements

Opinion

We have audited the consolidated financial statements of the University of KwaZulu-Natal (group) set out on pages 107 to 157 which comprise the Consolidated Statement of Financial Position as at 31 December 2025, Consolidated Statement of Profit and Loss and Other Comprehensive Income, Consolidated Statement of Changes in Funds and Reserves, and the Consolidated Statement of Cash Flows for the year then ended, Accounting policies including material accounting policy information and notes to the consolidated financial statements.

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the University of KwaZulu-Natal as at 31 December 2025 and its consolidated financial performance and consolidated cash flows for the year then ended in accordance with the IFRS Accounting Standards as issued by the International Accounting Standards Board and in the manner required by the Higher Education and Training in terms of section 41 of the Higher Education Act, (Act No. 101 of 1997), as amended.

Basis for opinion

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

We are independent of the group in accordance with the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors* of the (IRBA Code) as applicable to audits of financial statements of public interest entities 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.

KPMG Incorporated, a South African company with registration number 1999/021543/21 and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.

KPMG Incorporated is a Registered Auditor, in public practice, in terms of the Auditing Profession Act 26 of 2005.

Chairperson: Prof B Marx
Chief Executive: J Pierce
Directors: Full list on website

The company's principal place of business is
at KPMG Crescent,
85 Empire Road, Parktown



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.

In terms of the IRBA Rule on Enhanced Auditor Reporting for the Audit of Financial Statements of Public Interest Entities, published in Government Gazette No. 49309 dated 15 September 2023 (EAR Rule), we report:

Final materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error, and they are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Our determination of materiality is a matter of professional judgement and is affected by our perception and understanding of the financial information needs of intended users, which is the quantitative and qualitative factors that determine the level at which relevant decisions taken by users would be affected by a misstatement. These factors helped to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the consolidated financial statements as a whole.

Based on our professional judgement, we have determined final materiality for the consolidated financial statements as follows:

Final materiality amount	R68 000 000
Basis for determining materiality	0.96% (rounded) of total recurrent income, as presented in the Consolidated Statement of Profit and Loss and Other Comprehensive Income.
Rationale for the benchmark applied	Total recurrent income was selected as the benchmark as it reflects the University's core funding streams and ongoing operations, making it the most relevant measure for users of the financial statements.



Group audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, considering the structure of the group and the accounting processes and controls.

We performed risk assessment procedures to determine which of the group's components are likely to include risks of material misstatement to the consolidated financial statements and which further audit procedures to perform at these components to address those risks. Our judgement included assessing the size of the components, nature of assets, liabilities and transactions within the components as well as specific risks.

We identified one component at which further audit procedures were performed on the entire financial information of the component, either because audit evidence needed to be obtained on all, or a significant proportion of the component's financial information, or that component represents a significant risk of material misstatement to the consolidated financial statements.

/We performed an analysis at an aggregated group level on the remaining financial information of the remaining components, to examine our assessment that there is less than a reasonable possibility of a material misstatement in the remaining financial information.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements for the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our opinion, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report. In terms of the EAR Rule, we are required to also report the outcome of audit procedures or key observations with respect to the key audit matters.

Loss allowance on student fees receivable

Refer to the following notes to the consolidated financial statements:

- Note 1.12: Material accounting policies, Financial instruments; Impairment of financial assets, Measurement and recognition of expected credit losses;
- Note 7: Account receivable and prepayments; and
- Note 28: Financial instruments and risk management, The expected credit loss model.

<i>Key audit matter</i>	<i>How matter was addressed and outcomes or key observations</i>
As at 31 December 2025, the gross student fees receivables amounted to R2.5 billion which constitutes 11% of the gross total assets of the Group and Loss allowance on student fees receivable amounted to R2.2 billion. The Expected Credit Loss (ECL) provision is subject to considerable estimation uncertainty, particularly in relation to NSFAS-funded students where funding approvals, allocation confirmations, payment delays and funding disputes impact collectability. Management recognised an ECL provision amounting to approximately 88% of the gross student debt balance, reflecting the significant uncertainty surrounding recoverability. Additional factors such as student affordability challenges, delays in government funding processes and sector-wide collection difficulties further increased the audit risk and required significant auditor attention. In determining the ECL provision, management applied key assumptions including historical default rates, expected recovery rates, historical collection trends, probability of default estimates, loss given default assumptions, and forward-looking	Our audit procedures performed included the following: • We assessed the appropriateness of management's methodology and key assumptions used in determining the provision. • We independently recalculated the ECL provision, evaluated the completeness and accuracy of the underlying data, including ageing profiles, historical default rates, and recoverability data, and reconciling these inputs to supporting accounting records and underlying student debtor system. • Historical collection patterns and subsequent receipts received after year-end were evaluated to assess the recoverability of outstanding balances and to validate management's assumptions regarding expected future cash inflows. • In addition, management's ECL assumptions and resulting impairment loss rates were benchmarked against those applied by comparable higher education institutions to assess the reasonableness of the provisioning approach, including consideration of sector-wide collection trends, NSFAS funding dependency, and historical recovery experience across similar universities.



qualitative overlays relating to NSFAS funding delays, government funding uncertainties, macroeconomic pressures and known funding disputes. These assumptions require significant judgement and are inherently uncertain due to reliance on future funding outcomes and student repayment behaviors. Accordingly, due to the significant estimation uncertainty, complexity of the calculation, reliance on management judgment, and the material impact of the ECL provision on the consolidated financial statements, this matter was considered to be one of the most significant in the audit and was therefore determined to be a Key Audit Matter.	Based on the procedures performed above in respect of the ECL on student fees receivable, we did not identify any significant matters requiring further consideration in concluding on the procedures performed.
Valuation of property, plant and equipment – useful lives, residual lives and revaluation of land and buildings Refer to the following notes to the consolidated financial statements: • Note 1.4: Material Accounting policies, Use of estimates and judgements; Land and buildings valuation; • Note 1.10: Property, plant and equipment; • Note 2: Revaluation reserve; and • Note 3: Property, plant and equipment.	
<i>Key audit matter</i>	<i>How matter was addressed and outcomes or key observations</i>
Valuation of property, plant and equipment (PPE), including the revaluation of immovable assets and the reassessment of useful lives of movable assets involves substantial judgment in determining fair values and depreciation estimates. The valuation process relies on specialised methodologies, market-based assumptions and independent external valuers, creating a risk that	Our audit procedures performed included the following: • We obtained an understanding of management's process and related internal controls over the annual revaluation of immovable assets and reassessment of useful lives for movable assets. This included evaluating the design and implementation of controls relating to the preparation, review and approval of valuation inputs, depreciation assumptions and revaluation adjustments, as

valuation adjustments may not be appropriately determined or recorded. Key market-based assumptions applied by the independent external valuers included assumptions regarding the existence of good and marketable title, compliance with applicable zoning, land-use and regulatory requirements, the absence of material encumbrances or undisclosed property defects, and the continued use and management of the properties in accordance with their current purpose. The valuation further relied on information provided by management and other third parties, as well as assumptions that there were no hidden physical, structural, environmental or sub-surface conditions that would materially affect the value of the properties. Furthermore, the reassessment of useful lives and residual values requires management to make significant judgement regarding asset condition, future utilisation, maintenance practices, technological obsolescence, and the period over which future economic benefits are expected to be consumed. Significant judgement is also required in determining whether the useful lives of assets should be extended beyond their previously estimated periods of use. Significant judgement includes current condition and performance of assets, historical maintenance records, expected future utilisation, replacement strategies, and whether the assets continue to generate economic benefits for longer than originally anticipated. Changes in these assumptions can have a significant impact on depreciation expense and the carrying value of	well as the involvement of senior management and governance structures in overseeing the process. • With the assistance of our own internal valuation specialist, ○ We assessed the competence, capabilities and objectivity of the independent external valuers engaged by management. This assessment included consideration of the valuers' professional qualifications, industry experience, reputation, independence from the University and compliance with relevant professional valuation standards. ○ We assessed the appropriateness of the valuation conclusions reached by management and the external valuers. This included performing benchmark valuation analyses using market based assumptions and evaluating whether the valuation outcomes fell within an acceptable and reasonable range based on observable market evidence and industry expectations. ○ We evaluated the valuation methodologies applied by management and the external valuers to determine whether these methodologies were appropriate and consistent with the applicable financial reporting framework and prevailing market practice. The procedures performed included assessing the reasonableness of the valuation methodologies applied, including the use of the income approach and cost approach, the rationale for applying the cost approach to specialised properties, the use of independent professional valuers, and the application of generally accepted valuation principles using available market and valuation information with appropriate recognition of depreciation. • We performed independent recalculations of the year-end carrying amounts and related revaluation adjustments for a sample of
---	---

property, plant and equipment. The size of the asset portfolio, the significance of the revaluation reserve and depreciation charges, and the volume of related asset transactions further increased audit complexity and risk. Accordingly, due to the significance of property, plant and equipment balance, the complexity of the valuation process, the judgment involved in applying the income and cost approaches to determine fair value, particularly for specialised properties, as well as the reassessment of useful lives including the residual values and the extent of significant audit effort required, this matter was determined to be a Key Audit Matter.	immovable assets using data extracted from the Fixed Asset Register ("FAR"), including testing the mathematical accuracy of depreciation calculations, revaluation movements and resulting carrying values recorded by management to assess consistency and accuracy of the amounts recognised in the financial statements. In respect of movable assets, We evaluated management's assessment of the useful lives by performing the following procedures: • We evaluated the reasonableness of revised useful lives and residual values for movable assets based on asset condition, replacement patterns, expected utilisation and industry norms. • We recalculated the average number of years that the assets were used for based on the acquisition date to determine if the depreciation rate is appropriate. Based on the procedures performed above in respect of the valuation of property, plant and equipment, we did not identify any significant matters requiring further consideration in concluding on the procedures performed.
Personnel Costs Refer to the following notes to the consolidated financial statements: • Note 1.9: Material Accounting policies, Employee benefits • Note 21: Personnel costs	
<i>Key audit matter</i>	<i>How matter was addressed and outcomes or key observations</i>
As at 31 December 2025, the total personnel costs amounted to R3 billion which constitutes 54.5% of the total recurrent expenditure of the group. Personnel costs comprises of salaries, wages and other employee-related transactions processed across a large	Our audit procedures performed included the following: • We obtained an understanding of payroll and human resource processes over employee onboarding, terminations, payroll amendments and payroll approvals.

employee population, resulting in a high volume of transactions. The payroll environment is further influenced by decentralised human resource processes and a degree of manual intervention in payroll administration, increasing the risk of errors, unauthorised changes to employee master data, inaccurate remuneration calculations, and potential fraudulent payments, including payments to fictitious employees. During the year, the University also underwent a financial management restructure, which resulted in changes to certain management roles, responsibilities and remuneration arrangements. This increased the complexity of payroll processing and heightened the risk of errors or irregularities relating to employee master data maintenance, remuneration calculations, termination and appointment processes, and the authorisation of management-related payments. Due to the quantitative significance of payroll costs to the consolidated financial statements, the high volume of transactions processed, the increased audit complexity and the significant risk of fraud and error associated with payroll processing, employee master data maintenance and remuneration-related payments, together with the additional risks introduced by the financial management restructure, significant auditor attention was required. Accordingly, payroll costs were determined to be a key audit matter.	• We evaluated the validity and accuracy of the payroll headcount by performing the following procedures: ○ We performed verification and roll forward of the employee listing from opening balance to closing balance headcount, taking into account the appointments and terminations. • We assessed the reasonableness of personnel costs by developing an expectation of current-year payroll costs based on the number of employees and salary increases verified, and comparing this expectation to the recorded payroll expense. • We verified payroll expenses recorded during the year against valid employment contracts, approved salary increase letters and pay slips. • On a sample basis, we performed physical verification to confirm the existence of employees. • We assessed the leave pay provision by evaluating the key assumptions applied by management and performing verification procedures over employees eligible for leave pay as well as re-performing the leave pay provision calculation. • With the assistance of our internal valuation specialists, we assessed the post-retirement medical aid benefits (PRMA) balance and movements within the fund, including evaluating the key assumptions used in the valuation and performing procedures over employees and movements (additions and terminations) included in the fund. Based on the procedures performed above in respect of personnel costs, we did not identify any significant matters requiring further consideration in concluding on the procedures performed.
---	---



Responsibilities of the Council for the consolidated financial statements

The Council, is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the IFRS Accounting Standards as issued by the international accounting standards board and in the manner required by the Higher Education and Training in terms of section 41 of the Higher Education Act, (Act No. 101 of 1997), as amended and for such internal control as the Council determines is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

A further description of our responsibilities for the audit of the consolidated financial statements is included in the annexure to this auditor's report. This description, which is located at page 104, and forms part of our auditor's report.

Report on the audit of the Performance Assessment Report

In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, we must audit and report on the usefulness and reliability of the reported performance against predetermined objectives for the selected objectives presented in the annual performance report. The Council is responsible for the preparation of the annual performance report.



We selected the following objectives presented in the annual performance report for the year ended 31 December 2025 for auditing. We selected objectives that measure the group's performance on its primary mandated functions and that are of significant national, community or public interest.

Objective	Page number	Purpose
Excellent Teaching and Learning	12	The University of KwaZulu-Natal aims to provide excellent teaching and learning by attracting high potential students, promoting student access, diversity and success, improving student throughput rates and enhancing the quality of teaching staff.
Excellent Research, Innovation and Entrepreneurship	12	The University of KwaZulu-Natal aims to increase the mean citation score, the number of NRF A & B rated scholars, and the number of NRF P & rated scholars, the number of highly cited researchers, and to increase the impact of research.
High Impact Societal and Stakeholder Community	13	UKZN aims to strengthen relationships with stakeholders through frequent community engagement.

We evaluated the reported performance information for the selected objectives against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the group's planning and delivery on its mandate and objectives.

We performed procedures to test whether:

- all the indicators used for planning and reporting on performance can be linked directly to the Group's mandate and the achievement of its planned objectives
- the indicators are well defined to ensure that they are easy to understand and can be applied consistently
- the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated
- the indicators and targets reported on in the annual performance report are the same as those committed to in the approved initial or revised planning documents
- the reported performance information is presented in the annual performance report



- there is adequate supporting evidence for the achievements reported

We performed the procedures for the purpose of reporting material findings only; and not to express an assurance opinion or conclusion.

We did not identify any material findings on the reported performance information of the selected objectives.

Other Matter

We draw attention to the matter below.

Achievement of planned targets

The annual performance report includes information on reported achievements against planned targets and provides explanations for over- or under achievements.

The table that below provides information on the achievement of planned targets and lists the key performance indicators that were not achieved as reported in the annual performance report. The reasons for any underachievement of targets are included in the annual performance report on pages 11 to 21.

Excellent Research, Innovation, and Entrepreneurship

<i>Targets achieved: 84%</i>		
Key indicator not achieved	Planned target	Reported achievement
Number of research publications	2827	2096.16
Average citation score per UKZN-affiliated publication, as measured by Elsevier Scopus (new)	23	19.4
PhD graduation rate	17%	14%
Total amount of research funding generated annually.	R618m	R508.2m

Report on compliance with legislation

In accordance with the PAA and the general notice issued in terms thereof, we must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The Council is responsible for the Group's compliance with legislation.

We performed procedures to test compliance with selected requirements in key legislation in accordance with the Auditor General South Africa (AGSA) findings engagement methodology. This engagement is not an assurance engagement. Accordingly, we do not express an assurance opinion or conclusion.



Through an established AGSA process, we selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the group, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report on page 106.

The material findings on compliance with the selected legislative requirements, presented per compliance theme, are as follows:

Procurement - Conflicts of interest

The following findings were noted with regards to the conflicts of interest:

- (a) Some of the members of staff or employees of the group did not, in writing, declare any business interest that may give rise to an actual or potential conflict of interest with the University of KwaZulu-Natal before being appointed or assuming office, in contravention of section 34(4)(a) of the Higher Education Act.
- (b) Some of the members of staff or employees of the University of KwaZulu-Natal did not notify the University of KwaZulu-Natal of an actual or potential conflict of interest before the University procured goods or services from such member of staff or from an organisation in which the member of staff or employee held an interest, in contravention of section 34(4)(b) of the Higher Education Act.
- (c) Some of the employees conducted business, directly or indirectly, with the University of KwaZulu-Natal at which he or she is employed that entailed or may have entailed an actual or potential conflict of interest with the university, in contravention of section 34(5)(a)–(c) of the Higher Education Act.

Other information in the annual report

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

Our opinion on the consolidated financial statements and our reports on the audit of the annual performance report and compliance with legislation do not cover the other information and we do not express an audit opinion or any form of assurance conclusion on it.



In connection with our audit, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements and the selected objectives presented in the annual performance report, or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement in this other information, we are required to report that fact.

We have nothing to report in this regard.

Other reports

We draw attention to the following engagements conducted by various parties. These reports did not form part of our opinion on the consolidated financial statements or our findings on the reported performance information or compliance with legislation.

Agreed-upon procedure engagements

- Agreed-upon procedures engagements were conducted on the grants received and expenditure incurred specific to the grant's allocation letters from the Department of Higher Education and Training regarding the Infrastructure and Efficiency Funded Projects. The reports covered the period 1 January 2025 to 31 December 2025 and was issued between 5 and 7 March 2026.
- An agreed-upon procedures engagement was conducted on the grant received and expenditure incurred specific to the Durban Science and Technology Space Propulsion Grant that was awarded by the Department of Science and Technology. The report covered the period 1 January 2025 to 31 December 2025 and was issued on 31 March 2026.
- An agreed-upon procedures engagement was conducted on the grant received and expenditure incurred specific to the grant allocation letter from the Medical Research Council. The report covered the period 1 January 2025 to 31 December 2025 and was issued on 27 February 2026.
- An agreed-upon procedures engagement was conducted on the grant received and expenditure incurred specific to the grant allocation letter from the National Research Foundation Centre of Excellence. The report covered the period 1 January 2025 to 31 December 2025 and was issued on 18 March 2026.



- An agreed-upon procedures engagement was conducted on the grant received and expenditure incurred specific to the grant allocation letter from the National Research Foundation. The report covered the period 1 January 2025 to 31 December 2025 and was issued on 18 March 2026.
- An agreed-upon procedures engagement was conducted on the Published Research Articles Claims reported to the Department of Higher Education and Training. The report covered the period 1 January 2025 to 31 December 2025 and was issued on 12 May 2026.
- An agreed-upon procedures engagement was conducted on the grant received and expenditure incurred specific to the grant allocation letter from the Department of Higher Education and Training regarding the New Generation of Academics Programme. The report covered the period 1 April 2025 to 31 March 2026 and was issued 27 May 2026.
- An agreed-upon procedures engagement was conducted on the grant received and expenditure incurred specific to the grant allocation letter from the Department of Higher Education and Training regarding the Nurturing Emerging Scholars Programme Grant. The report covered the period 1 April 2025 to 31 March 2026 and was issued 27 May 2026.
- An agreed-upon procedures engagement was conducted on the grant received and expenditure incurred specific to the grant allocation letter from the Department of Higher Education and Training regarding the University Capacity Development Programme Grant. The report covered the period 1 April 2025 to 31 March 2026 and was issued 29 May 2026.
- An agreed-upon procedures engagement was conducted on the grant received and expenditure incurred specific to the grant allocation letter from the Department of Higher Education and Training regarding the Clinical Training Grant. The report covered the period 1 April 2025 to 31 March 2026 and was issued 02 June 2026.
- An agreed-upon procedures engagement was conducted on the grant received and expenditure incurred specific to the grant allocation letter from the Department of Higher Education and Training regarding the Foundation Provisioning Grant. The report covered the period 1 April 2025 to 31 March 2026 and was issued 29 May 2026.
- An agreed-upon procedures engagement was conducted on the Supplementary Financial Data and Performance Indicators to be reported to the Department of Higher Education and Training. This covers the period 1 January 2025 to 31 December 2025 and is still in progress.



- An agreed-upon procedures engagement will be conducted on the Higher Education Management Information System data to be reported to the Department of Higher Education and Training. This covers the period 1 January 2025 to 31 December 2025. The engagement is planned to commence in July 2026.
- An agreed-upon procedures engagement will be conducted on the Clinical Enrolments Headcount data to be reported to the Department of Higher Education and Training. This covers the period 1 January 2025 to 31 December 2025. The engagement is planned to commence in July 2026.
- An agreed-upon procedures engagement will be conducted on the US Department of Health and Human Services (DHHS). This covers the period 1 January 2025 to 31 December 2025. The engagement has not started.

Special purpose audit engagements

- At the request of the University, a special purpose audit engagement was conducted on the Norwegian Programme for Capacity Development in Higher Education and Research for Development Grant. The report covered the period 1 January 2025 to 31 December 2025 and was issued on 22 May 2026.
- At the request of the University, a special purpose audit engagement will be conducted on the University of KwaZulu-Natal's RUNRES Project. The report will cover the period 1 January 2025 to 31 December 2025. The engagement is planned to commence in October 2026.
- At the request of the University, a special purpose audit engagement was conducted on the University of KwaZulu-Natal Research Network for Design and Evaluation of Adolescent Health Interventions and Policies in Sub-Saharan Africa (DASH) Project. The report covered the period 1 January 2023 to 30 June 2025 and is still in progress.

Audit tenure

In terms of the IRBA Rule published in Government Gazette No. 39475 dated 4 December 2015, we report that KPMG Inc. has been the auditor of the University of KwaZulu-Natal for two years.

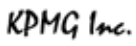


Disclosure of fee-related matters

In terms of the EAR Rule, we disclose the following fee-related matters:

Categories of services	Amount
External audit of the University of KwaZulu-Natal	R 3 827 227
External audit of subsidiaries	R 336 713
Agreed-upon procedures	R 2 475 941
Special purpose audits	R 259 664
US GAS audit	R 1 386 779

KPMG Inc.

Signed by:

4C842AA190774E9...

Per Alfred Sithole
Chartered Accountant (SA)
Registered Auditor
Director
30 June 2026



Annexure to the auditor's report

The annexure includes the following:

- The auditor's responsibility for the audit
- The selected legislative requirements for compliance testing

Auditor's responsibility for the audit

Professional judgement and professional scepticism

As part of an audit in accordance with the ISAs, we exercise professional judgement and maintain professional scepticism throughout our audit of the consolidated financial statements and the procedures performed on reported performance information for selected objectives and on the group's compliance with selected requirements in key legislation.

Consolidated financial statements

In addition to our responsibility for the audit of the consolidated financial statements as described in this auditor's report, we also:

- (a) identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (b) 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 group's internal control.
- (c) evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- (d) conclude on the appropriateness of the use of the going concern basis of accounting in the preparation of the consolidated financial statements. We also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the Group 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 consolidated financial statements about the material uncertainty or, if such disclosures are inadequate, to modify our opinion on the consolidated financial statements. Our conclusions are based on the information available to us at the date of this auditor's report. However, future events or conditions may cause the Group to cease operating as a going concern.

- (e) evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and determine whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- (f) plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

Communication with those charged with governance

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

We also provide the Council 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 have a bearing on our independence and, where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the current period and are therefore key audit matters. We describe these matters in this auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in this auditor's report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest of such communication.



Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Public Audit Act	Section 14(2)(b)
Higher Education Act	Section 20(5) Section 27(7)(c) Section 27(7)(e) Section 27(7)(A) – (C) Section 34(4)(a) – (b) Section 34(5) Section 34(6) Section 40(3)(a)(i) – (iii) Section 41(1)(b)(ii)
Prevention and Combating of Corrupt Activities Act	Section 34(1)
Regulations for the Registration of Private	Regulation 4(1)
Higher Education Institutions	Regulation 4(2) Regulation 5(1) Regulation 5(2)(a)(d)(g)(m) Regulation 6(2)(d) Regulation 6(3)

University of KwaZulu-Natal

Consolidated Financial Statements for the year ended 31 December 2025

Consolidated Statement of Financial Position as at 31 December 2025

	Notes	2025 R '000	2024 R '000
Assets			
Non-Current Assets			
Property, plant and equipment	3	6 076 037	5 488 985
Investments	4	3 467 349	2 894 631
Non-current receivables	5	91 081	83 601
		9 634 467	8 467 217
Current Assets			
Inventories	6	1 936	258
Account receivable and prepayments	7	1 146 058	621 843
Cash and cash equivalents	8	568 841	505 015
Fixed deposits and money market funds	9	8 200 098	7 430 090
		9 916 933	8 557 206
Total Assets		19 551 400	17 024 423
Funds and Liabilities			
Funds			
Non-distributable funds			
- Endowed funds		557 914	579 444
- Revaluation reserve	2	2 424 743	1 940 292
Restricted funds designated for specific activities			
- Education and general		2 341 662	2 255 845
- Student residences		492 653	320 443
Investment reserve	4	1 676 254	1 212 849
Unrestricted Council-controlled funds		7 699 138	6 470 900
		15 192 364	12 779 773
Liabilities			
Non-Current Liabilities			
Post-retirement benefit obligation	12	1 042 886	918 276
Non-current portion of borrowings	10	138 073	344 171
Non-current portion of deferred grants	15	1 086 895	1 057 350
		2 267 854	2 319 797
Current Liabilities			
Accounts payable and accrued liabilities	14	861 182	754 793
Current portion of borrowings	10	201 024	172 174
Current portion of employee benefits	13	96 873	106 124
Current portion of deferred grants	15	722 302	552 432
Student deposits	16	209 801	339 330
		2 091 182	1 924 853
Total Liabilities		4 359 036	4 244 650
Total Funds and Liabilities		19 551 400	17 024 423

University of KwaZulu-Natal

Consolidated Financial Statements for the year ended 31 December 2025

Consolidated Statement of Profit and Loss and Other Comprehensive Income for the year ended 31 December 2025

		Educational and General					2025 Total	2024 Total
		Council- Controlled Funds Unrestricted	Specifically Funded Activities Restricted	Sub-total	Student Residences Restricted	Endowed Funds Restricted		
Notes		R '000	R '000	R '000	R '000	R '000	R '000	R '000
Income								
Recurrent income								
Government subsidies and grants	17	2 544 562	-	2 544 562	-	-	2 544 562	2 547 834
Other subsidies and grants	17	-	180 756	180 756	-	-	180 756	179 031
Tuition and other fee income	19	1 923 386	57 917	1 981 303	540 329	-	2 521 632	2 644 720
Private contracts, grants and donations	20	325 616	678 688	1 004 304	3 062	1 249	1 008 615	973 507
Investment income	18	768 065	76 466	844 531	-	7 908	852 439	855 140
Total recurrent income		5 561 629	993 827	6 555 456	543 391	9 157	7 108 004	7 200 232
Expenditure								
Recurrent expenditure								
Personnel costs	21	2 605 905	366 121	2 972 026	48 685	11 846	3 032 557	2 976 505
Other operating expenses	25	1 228 885	274 585	1 503 470	131 721	6 070	1 641 261	1 746 466
Expected credit losses		79 826	-	79 826	18 825	-	98 651	181 564
Bursaries and scholarships		212 008	174 974	386 982	-	12 188	399 170	393 808
Minor capital items expensed		18 093	3 602	21 695	5 485	23	27 203	20 135
Depreciation and impairment	3	240 820	-	240 820	122 583	-	363 403	465 563
Total recurrent expenditure		4 385 537	819 282	5 204 819	327 299	30 127	5 562 245	5 784 041
Surplus for recurrent operations		1 176 092	174 545	1 350 637	216 092	(20 970)	1 545 759	1 416 191
Non-recurrent items								
Net gain /(loss) on investments	4	419 335	-	419 335	-	44 070	463 405	221 386
Total non-recurrent items		419 335	-	419 335	-	44 070	463 405	221 386
Surplus before finance costs		1 595 427	174 545	1 769 972	216 092	23 100	2 009 164	1 637 577
Finance costs	18	15 113	-	15 113	27 051	-	42 164	66 135
Net surplus for the year		1 580 314	174 545	1 754 859	189 041	23 100	1 967 000	1 571 441

University of KwaZulu-Natal

Consolidated Financial Statements for the year ended 31 December 2025

Consolidated Statement of Profit and Loss and Other Comprehensive Income

Notes	Educational and General			Student Residences Restricted	Endowed Funds Restricted	2025 Total	2024 Total
	Council-Controlled Funds Unrestricted R '000	Specifically Funded Activities Restricted R '000	Sub-total R '000				
Net surplus for the year	1 580 314	174 545	1 754 859	189 041	23 100	1 967 000	1 571 441
Other comprehensive income							
Items that will be re-classified to profit and loss							
Items that will not be re-classified to profit and loss							
Release of revaluation reserves	89 220	-	89 220	-	-	89 220	81 601
Remeasurement of post retirement obligations	(128 080)	-	(128 080)	-	-	(128 080)	33 583
Total other comprehensive income	38 860	-	(38 860)	-	-	(38 860)	115 184
Total comprehensive income for the year	1 541 454	174 545	1 715 999	189 041	23 100	1 928 140	1 686 625

University of KwaZulu-Natal

Consolidated Financial Statements for the year ended 31 December 2025

Consolidated Statement of Changes in Funds and Reserves for the year ended 31 December 2025

	Non-distributable Funds		Funds Designated for Specific Activities			Council Controlled Funds			Total Funds
	Endowed Funds Restricted	Revaluation Reserve Restricted	Education Restricted	Student Residences Restricted	Investment Reserve (Fair value gains through profit and loss) Restricted	Operating Funds Unrestricted	PPE Funds Unrestricted	Council Controlled Funds Unrestricted	
	R '000	R '000	R '000	R '000	R '000	R '000	R '000	R '000	
Balance at 1 January 2024	586 205	1 856 201	2 212 306	179 676	991 463	2 662 398	2 520 538	5 182 936	11 008 787
Net surplus for the year	25 291	-	155 222	148 387	-	1 242 541	-	1 242 541	1 571 441
Other comprehensive income	-	-	-	-	-	33 853	-	33 853	33 853
Total comprehensive income for the year	25 291	-	155 222	148 387	-	1 276 394	-	1 276 394	1 605 294
Transfer between funds	(34)	-	(111 683)	(7 620)	-	(335 902)	455 239	119 337	-
Net gain/ (loss) on investment	(32 018)	-	-	-	221 386	(189 368)	-	(189 368)	-
Release of revaluation reserve	-	(81 601)	-	-	-	81 601	-	81 601	-
Revaluation of buildings	-	165 692	-	-	-	-	-	-	165 692
Balance at 31 December 2024	579 444	1 940 292	2 255 845	320 443	1 212 849	3 495 123	2 975 777	6 470 900	12 779 773
Net surplus for the year	23 100	-	174 545	189 041	-	1 580 314	-	1 580 314	1 967 000
Other comprehensive income	-	-	-	-	-	(128 080)	-	(128 080)	(128 080)
Total comprehensive income for the year	23 100	-	174 545	189 041	-	1 452 234	-	1 452 234	1 838 920
Revaluation of buildings	-	573 671	-	-	-	-	-	-	573 671
Transfer between funds	(560)	-	(88 728)	(16 831)	-	(198 073)	304 192	106 119	-
Net gain/(loss) on investment	(44 070)	-	-	-	463 405	(419 335)	-	(419 335)	-
Release of revaluation reserve	-	(89 220)	-	-	-	89 220	-	89 220	-
Balance at 31 December 2025	557 914	2 424 743	2 341 662	492 653	1 676 254	4 419 169	3 279 969	7 699 138	15 192 364

University of KwaZulu-Natal

Consolidated Financial Statements for the year ended 31 December 2025

Consolidated Statement of Cash Flows for the ended 31 December 2025

	Notes	2025 R '000	2024 R '000
Cash flows from operating activities			
Cash generated from operations	26	705 449	1 223 786
Interest income received	18	817 453	831 304
Dividends income received	18	34 986	23 836
Finance costs	18	(42 164)	(66 135)
Net cash from operating activities		1 515 724	2 012 791
Cash flows from investing activities			
Additions to purchase of property, plant and equipment	3	(374 182)	(618 532)
Additions of investments		(388 122)	(1 557 245)
Withdrawals from investments		399 604	1 608 705
Payments received from student loans		133	15
Increase in long-term fixed deposits		(7 481)	(2 081)
Investments into fixed deposits and money market funds		(3 430 008)	(4 420 007)
Withdrawals of fixed deposits and money market funds		2 660 000	3 220 000
Reinvestment of income		(120 796)	(118 492)
Net cash from investing activities		(1 260 852)	(1 887 637)
Cash flows from financing activities			
Repayments of capital portion of long-term loan	10	(37 588)	(35 881)
Repayment element of finance lease	10	(153 458)	(259 734)
Net cash from financing activities		(191 046)	(295 615)
Total cash movement for the year		63 826	(170 461)
Cash and cash equivalents at the beginning of the year	8	505 015	675 476
Total cash and cash equivalents at the end of the year	8	568 841	505 015

University of KwaZulu-Natal

Consolidated Financial Statements for the year ended 31 December 2025

Accounting policies

1. Material accounting policies

1.1 Statement of compliance

The consolidated financial statements are prepared in accordance with IFRS Accounting Standards as issued by the international accounting standards board and in the manner required by the Minister of Higher Education and Training in terms of section 41 of the Higher Education Act, (Act No. 101 of 1997), as amended.

1.2 Basis of preparation

The consolidated financial statements are presented in South African Rands, rounded to the nearest thousand (R'000) in each case. They are prepared under the historical cost basis, except for the revaluation of land and buildings and financial instruments. The material accounting policies adopted in the preparation of these financial statements are set out below and are consistent with those of the previous year.

1.3 Consolidation

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the University and all controlled subsidiaries as at 31 December each year.

The University controls an entity when the University is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Related entities are consolidated from the date on which control is obtained by the University and until they are disposed of or control ceases. All inter-group transactions, balances and unrealised surpluses and deficits are eliminated on consolidation. Where necessary, appropriate adjustments are made to the accounting policies of related entities on consolidation to ensure consistency with the policies adopted by the University.

1.4 Use of estimates and judgements

The preparation of these financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimates are revised and in any future years affected.

In applying the University's accounting policies, management has made the following judgements, apart from those involving estimations, which most significantly affect the amounts recognised in the financial statements.

Key sources of estimation uncertainty

Assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting year, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are set out below:

Leases

Determining the discount rates

In determining the discount rate, management considers the rate of interest that the University would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. Due to the very specific nature of the University, the University's incremental borrowing rate was considered to be the most appropriate rate to commence with on initial recognition of the respective lease liabilities. Refer to note 10 Borrowings and note 11 Lease liabilities for further information.

University of KwaZulu-Natal

Consolidated Financial Statements for the year ended 31 December 2025

Accounting policies

1.4 Use of estimates and judgements (continued)

Determining the lease terms

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. All extension options (or periods after termination options) have been included in the lease term. There are no potential future cash outflows. All future cash outflows have been included in the lease liability. The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the University. Refer to note 10 Borrowings and note 11 Lease liabilities for further information.

Determination of whether lease payments are fixed or variable in nature

Management takes into account the following circumstances in determining whether a lease payment is fixed or variable in nature:

Fixed payments

Fixed payments include set payments outlined in a lease contract as well as in-substance fixed lease payments. In-substance fixed lease payments are structured in a manner that they appear to be variable, but based on their nature or circumstance are unavoidable.

In-substance fixed lease payments may take various forms:

- payments based on a presumed underlying assumption (e.g. that a leased asset will have to operate during the period);
- payments structured as containing genuine variable components, where the variable component will be resolved during the term of the lease (e.g. payments that become fixed once the lessee's base level of use of the asset has been established in the first year). Such payments become in-substance fixed payments when the variability is resolved;
- there is more than a single set of potential payments a lessee may have to make, but only one option is realistic;
- there is more than a single set of potential payments, but at least one must be made. In this case, the minimum payments are the fixed lease payments.

Fixed payments are included in the initial measurement of the lease liability.

Variable payments

Variable payments may be based on an index or rate or any other variable.

Variable lease payments based on an index or a rate are included in the initial measurement of the lease using the index or rate as at the commencement date.

Variable lease payments based on any other variable are not included in the measurement of the lease liability. These payments are recognised in profit or loss in the period in which the event or condition that triggers those payments occurs.

Depreciation

At the end of each reporting year, assets within property, plant and equipment are reviewed to assess whether the estimated useful lives and residual values are appropriate. The estimate and judgement relates to the useful lives and residual values.

Impairment

The University reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. When such indicators exist, management determines the recoverable amount by performing value in use and fair value calculations. These calculations require the use of estimates and assumptions.

Lifetime expected credit losses

The lifetime expected credit losses used to determine impairment of trade receivables are based on management assumptions of default rates from initial recognition of trade receivables and their probabilities of default. For more information refer to Note 28 of financial instruments.

University of KwaZulu-Natal

Consolidated Financial Statements for the year ended 31 December 2025

Accounting policies

1.4 Use of estimates and judgements (continued)

Post-retirement obligations

For the purposes of valuing the University's future obligations in respect of post-retirement health care, provident fund and pension fund benefits, key assumptions are made in respect of discount rates, expected inflation on medical aid contributions, expected age of retirement and mortality rates.

Land and buildings valuation

The land and buildings are revalued by independent professional valuers, Mills Fitchet, to determine their fair value. A full revaluation of the entire class of land and buildings is performed every five years, while an interim review on a sample basis is conducted annually to assess whether there has been any material increase in value. The full valuation of university's land and buildings has been performed in current financial year ended 31 December 2025. Refer to Note 3 for further details.

1.5 Revenue from contracts with customers and other income

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The University recognizes revenue when it transfers control over a product or service to a customer.

The following is a description of the principal activities from which the University generates its revenue.

Tuition and residence fees:

Tuition income includes the provision of educational services to students through an accredited degree or diploma programme or through short courses. The performance obligation to provide the educational service is satisfied over time. Residence fees includes the provision of residential accommodation to students during the academic year. The performance obligation is satisfied over time.

The academic calendar run simultaneously with the financial year, therefore output approach has been adopted to recognise revenue based on the time elapsed and milestones achieved.

Deposits and credit balances on student accounts are treated as current liabilities and reflected as student deposits.

Designated income from contracts, grants and donations:

Funds are received to undertake specific activities as outlined in their respective agreements. These agreements outline the performance obligations against which revenue is recognised. Performance obligations are satisfied either at a point in time where there are specific milestones or over time where the contracts are structured as such.

Sales of goods and services:

The sale of goods and services relates to the provision of teaching and learning activities, primarily through the provision of teaching services, tuition fees and residences fee income. Performance obligations include the transfer of ownership of the goods to the control of the customer or the provision of the service and are serviced either at a point in time or over time. At the inception of a contract with a customer, the University assesses the goods or services promised in the contract and identifies as a performance obligation each promise to transfer to the customer either a good or service (or bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same and have the same pattern of transfer to the customer.

Revenue from tuition and residence fees is recognised over time, as the services are rendered throughout the academic term or academic year. The university has determined that students simultaneously receive and consume the benefits of these services as they are provided, thereby satisfying the criteria for over-time recognition in terms of IFRS 15. Where performance obligations are satisfied over time, the university applies an output method to measure progress toward complete satisfaction of the performance obligation. This method faithfully depicts the transfer of services to students, as education and accommodation services are delivered over the duration of the academic period.

Revenue is recognized when the performance obligation relating to each specific contract has been satisfied. Performance obligations are satisfied either at a point in time or over time. Where performance obligations are satisfied over time, the University adopts an output method to measure progress toward complete satisfaction of the performance obligation. Given the nature of the contracts completed over time, this method faithfully depicts the transfer of services to students, as education and accommodation services are delivered over the duration of the academic period.

University of KwaZulu-Natal

Consolidated Financial Statements for the year ended 31 December 2025

Accounting policies

1.5 Investment property (continued)

The performance obligation with respect to the sale of goods is recognized when the University entity has delivered its products to the customer and there is no unfulfilled obligation that could affect the customer's acceptance of the product. Delivery does not occur until the products have been shipped to the specified location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed or the University has objective evidence that all criteria for acceptance have been satisfied. The performance obligation with respect to provision of services is recognized when the service has been provided to the customer.

When the University performs by transferring goods or services to a customer before the customer transfers any consideration, the amount receivable is disclosed separately as a contract asset. Similarly, if a customer transfers any consideration before the University transfers any corresponding goods or services, the amount received is disclosed separately as a contract liability.

Payments for fees charged to students are due within 12 months. However, where payments are not received timeously the expected credit loss model in terms of IFRS 9 is applied to provide for outstanding debt.

The transaction price is allocated to each performance obligation in a contract on a relative stand-alone selling price basis where contracts have more than one performance obligation. Where discounts are issued on contracts that consist of more than one performance obligation, the University allocates the discount to each performance obligation separately.

Income

The University recognises income outside the scope of IFRS 15 which is accounted for under IAS 20 Government Grants reported as income for state appropriations – subsidies and grants.

State appropriations and grants are received either for general (block grant) or specific purposes (earmarked grant).

General purpose grants:

State appropriations and grants for general purposes are recognised as income in the financial year to which the subsidy relates provided there are no conditions. These typically take the form of state appropriations or grants that becomes receivable as compensation for expenses already incurred or for the purpose of providing immediate financial support to the University.

Specific purpose grants:

State appropriations and grants that are conditional and received in advance of the conditions being met is recognised as deferred grants. State appropriations and grants relating to capital assets are included in non-current liabilities as deferred grants and are released to surplus and deficit on a straight-line basis over the expected useful lives of the related assets. The portion of the grants that will be released to surplus and deficit during the next 12 months is included in current liabilities as current deferred grants. The University adopts the income approach whereby the grant is not credited to the carrying amount of the capital asset.

Appropriations and grants from government that is intended to compensate future operating expenditure is released to surplus or deficit over the period necessary to match the income with the operating expenditure that the income is intended.

Investment income.

Investment income comprises of interest and dividends earned on the short term and long term investments.

Interest income.

The University earns interest mainly from its long term and short investments. Interest is recognised on a time allocation basis, taking account of the principal outstanding and the effective interest rate over the period to maturity, when it is determined that such income will accrue to the University.

Dividend income.

Dividends are recognised when the University's right to receive a dividend is established.

University of KwaZulu-Natal

Consolidated Financial Statements for the year ended 31 December 2025

Accounting policies

1.6 Segment information and accumulated funds

The consolidated statement of profit and loss and other comprehensive income and the statement of changes in funds and reserves are prepared on a segmented basis in the manner required in terms of section 41 of the Higher Education Act, (Act No. 101 of 1997), as amended. Income and expenditure categorised as "Council-controlled" relate to funds over which the Council of the University has legal control and are unrestricted, i.e. discretionary authority. Specifically-funded activities relate to funds generated and utilised in terms of the legal requirements of the grantors and donors of such funds and are therefore regarded as "restricted use" funds.

Student Residences income, expenditure and funds relate to the provision of student accommodation and housing. Income and expenditure shown as Endowment Funds comprise funds received for bursaries, scholarships and related activities. The consolidated statement of changes in funds and reserves is similarly segmented and also includes a Property, Plant and Equipment (PPE) fund, which represents the net carrying values of the PPE, less attributable external borrowings, and less the revaluation reserve applicable to PPE.

The Revaluation Reserve carries the revaluation surplus on property, a portion of which is systematically released to income annually.

The Investment Reserve (fair value through profit and loss) carries those gains and losses on investments that are recognised in the consolidated statement of profit and loss and other comprehensive income.

Education and General funds comprise restricted purpose funds for which the University has, in terms of the related contractual agreements, obligations to utilise the relevant funds for specifically-designated activities and to account accordingly.

1.7 Translation of foreign currencies

Foreign currency transactions

Foreign currency transactions are accounted for at spot rates, being the exchange rates prevailing at the dates of the respective transactions. Gains and losses arising from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies, are recognised in the consolidated statement of profit and loss and other comprehensive income in the year in which they arise. Assets and liabilities designated in foreign currencies at the consolidated statement of financial position date are translated at the rates of exchange ruling at the reporting date.

There are no currencies which were determined to be non-exchangeable during the current financial period which may require the estimation of the spot rates.

1.8 Inventories

The costs of minor departmental stocks acquired during the year are charged against current expenses and are not brought into account as inventory at the financial year-end.

The inventory comprises of stock of laptops acquired for distribution to students but not yet allocated to students at the financial year-end. The inventory is stated at the lower of cost and net realisable value.

1.9 Employee benefits

Employee benefits at the University encompass various provisions designed to compensate employees for their service. These primarily include leave entitlements, retirement benefits through both defined contribution and defined benefit plans and post-employment obligations, including pension and post-employment medical plans.

Annual leave

Employee benefits comprises of leave days each employee is entitled to. An accrual is recognized for accumulated leave as a result of services rendered up to the consolidated statement of financial position date reflected as the current portion of employee benefits. It is the policy of the University to forfeit leave days not utilised by 30 November of the following year and therefore the leave accrual is disclosed as a current liability in the consolidated statement of financial position.

University of KwaZulu-Natal

Consolidated Financial Statements for the year ended 31 December 2025

Accounting policies

1.9 Employee benefits (continued)

Retirement benefits

The University provides retirement benefits for its employees through a number of defined contribution and defined benefit plans. Liabilities in respect of funded and unfunded obligations are recognised when employees have provided service for benefits to be paid in the future.

Defined benefit plans

Defined benefit plans define an amount of pension and post retirement benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

For the defined benefit plans, the pension accounting costs are assessed using the projected unit credit method. Under this method, the cost of providing pensions is charged to the consolidated statement of profit and loss to spread the regular cost over the service lives of employees in accordance with the advice of qualified actuaries, who carry out full valuations of the plans annually. Pension obligations are measured at the present value of the estimated future cash outflows using interest rates of government securities that have terms to maturity approximating the terms of the related liabilities. All actuarial gains and losses are recognised immediately through other comprehensive income in order for the net plan asset or liability recognised in the statement of financial position to reflect the full value of the plan deficit or surplus.

The remeasurements of the net defined benefit liability (asset) recognised in other comprehensive income, comprises of:

- (i) actuarial gains and losses;
- (ii) return on plan assets, excluding amounts included in net interest on the net defined benefit liability / (asset); and
- (iii) any change in the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability (asset).

Post-employment obligations

The University operates various post-employment schemes, including both defined benefit and defined contribution pension plans and post-employment medical plans.

Pension obligations

The liability or asset recognised in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in personnel costs in the statement of profit or loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur directly in other comprehensive income.

For defined contribution plans, the University pays contributions to privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The University has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expenses when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Other post-employment obligations

Post-retirement health care benefits are provided for all employees and retirees who were members of the University's medical schemes prior to 1 July 2004. The entitlement to post-retirement health care benefits is based on employees remaining in service up to retirement age. The expected costs of these benefits are accrued over the years of employment, using the same accounting methodology as used for defined benefit pension and provident plans.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to funds in other comprehensive income in the year in which they arise. These obligations are valued annually by independent qualified actuaries.

University of KwaZulu-Natal

Consolidated Financial Statements for the year ended 31 December 2025

Accounting policies

1.10 Property, plant and equipment

Land and buildings assets are reflected at their open market values as determined from time to time by independent property valuers and updated annually by management to reflect market conditions less any accumulated depreciation.

Revaluations of land and buildings are conducted every five years by an independent valuer appointed by management with reference to publicly available commercial property indices appropriate to the University's property portfolio. A limited review is conducted annually to assess whether there have been any significant changes in the fair value of land and buildings.

Surpluses arising on the revaluation of land and buildings assets are credited to a non-distributable revaluation reserve with an amount being released annually from the reserve to the main operating fund so as to match the depreciation method of the related asset over its remaining useful life.

Furniture and equipment, motor vehicles and museum collections are recorded at cost less accumulated depreciation and impairment losses. Donated assets are recorded at fair value on initial recognition as determined by management and/or external valuers and, subsequently at their fair value on initial recognition less accumulated depreciation and impairment losses.

Assets under construction are initially recorded at cost less accumulated impairment losses. Projects classified as assets under construction are transferred to land and buildings on completion and the asset is brought to use.

Assets costing less than R5 000 are written off in the year of acquisition. Library books, journals and collections are written off in the year in which they are acquired.

Routine maintenance costs are charged to profit and loss as incurred. Costs of major maintenance or refurbishment of items of property, plant or equipment are recognised as expenses, except where the useful lives of the assets concerned have been extended. Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Interest costs on borrowings to finance the construction of property, plant and equipment are capitalised as part of the cost of the related assets during the period of time that is required to complete and prepare them for their intended use, in accordance with the requirements of IAS 23: Borrowing Costs.

The University conducts an annual assessment of the useful life and residual values of significant property, plant and equipment as required by International Financial Reporting Standards, IAS 16 property, plant and equipment and upon identifying significant cost components to these assets depreciates, each of the asset's cost components separately according to their assigned useful life and residual values (if applicable).

Land is not depreciated as it is deemed to have an indefinite life. Depreciation on all other assets is calculated on the straight-line method, at rates calculated to write off the costs or revalued amounts of assets, to their residual values over their estimated useful lives. Depreciation on assets commences when an asset is available for use as intended by management.

University of KwaZulu-Natal

Consolidated Financial Statements for the year ended 31 December 2025

Accounting policies

1.10 Property, plant and equipment (continued)

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Furniture and equipment	Straight line	5 - 14 years
Motor vehicles	Straight line	5 - 12 years
Museum collections	Straight line	5 years
Computer equipment	Straight line	5 - 10 years
Buildings:		
Roof and main structure	Straight line	20 - 50 years
Lifts	Straight line	15 years
Air conditioners	Straight line	15 years

1.11 Provisions

Provisions are recognised when the University has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

1.12 Financial Instruments

Classification

The University classifies financial assets and financial liabilities into the following categories:

- Amortised cost;
- Fair value through profit and loss (FVPL).

Initial recognition and measurement

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated at FVPL:

- It is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- It's contractual terms give rise to cash flows on specific dates that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at FVPL

Financial assets at FVPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss to the extent they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value through profit and loss, depending on the classification of the financial assets.

Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

Impairment of financial assets

The University recognises a loss allowance for expected credit losses (ECL) on financial assets that are measured at amortised cost. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

University of KwaZulu-Natal

Consolidated Financial Statements for the year ended 31 December 2025

Accounting policies

Financial instruments (continued)

The University considers the use of reasonable and supportable information that is relevant and available without undue cost or effort when assessing whether the credit risk of a financial asset has increased. This includes both quantitative and qualitative information based on the University's historical experience as well as forward looking information. Where the University concludes that the credit risk of a financial instrument has not increased significantly since initial recognition, the loss allowance is measured using a 12-month ECL.

The University always recognises lifetime ECL for trade receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the University's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss, if there is a default) and the exposure at default. The University considers a debtor in default when the contractual payment terms have not been complied with. The assessment of the probability of default and loss, given default is based on historical data adjusted by forward-looking information as described above.

At year end management makes an estimate of the amount of total outstanding student fee debt that it expects to recover from outstanding balances based on categorisation determined by the university based on risk profile. This categorization is split into two categories namely: funded students and self-funded students. The allowance is based on past payment patterns which have been analysed and updated with forward-looking information, as well as the current year's performance. An allowance for Expected Credit Losses (ECLs) is raised based on these estimates.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the University in accordance with the contract and all the cash flows that the University expects to receive, discounted at the original effective interest rate.

De-recognition of financial assets

The University de-recognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the University neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the University recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the University retains substantially all the risks and rewards of ownership of a transferred financial asset, the University continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On de-recognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVPL.

Financial liabilities are classified as FVPL when the financial liability is:

- held for trading, or
- it is designated as FVPL.

Derecognition of financial liabilities

A financial liability will be removed from the statement of financial position when, and only when, it is extinguished, that is, when the obligation specified in the contract is either discharged or cancelled or expires. Where there has been an exchange between an existing borrower and lender of debt instruments with substantially different terms, or there has been a substantial modification of the terms of an existing financial liability, this transaction is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. A gain or loss from extinguishment of the original financial liability is recognised in profit or loss.

University of KwaZulu-Natal

Consolidated Financial Statements for the year ended 31 December 2025

Accounting policies

Financial instruments (continued)

Adoption of IBOR Reform Phase 2 Amendments

The University has adopted the practical expedients allowed under the *Interest Rate Benchmark Reform — Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)*. These amendments provide relief regarding the modification of financial instruments if the change is a direct consequence of the IBOR reform and is performed on an economically equivalent basis. For the University's floating-rate debt, the effective interest rate is updated to reflect the change in the alternative benchmark rate (ZARONIA), and no gain or loss is recognized in the Statement of Profit or Loss.

1.13 Accounting for leases

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- Leases of low value assets;
- Leases with a duration of 12 months or less; and
- Leases with only variable lease payments.

A lease is considered to be a lease of a low value asset if the underlying asset falls below the asset capitalisation threshold of R100 000.

The university recognise the lease payments associated with a low value assets or leases with a duration of less 12 months as an expense on a straight-line basis over the lease term.

The lease liability is initially measured at the present value of the lease payments payable over the lease term, discounted at the rate implicit in the lease or, where this cannot be determined, at the University's incremental borrowing rate.

Right of use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for lease payments made at or before commencement of the lease, initial direct costs incurred, and restoration costs.

Subsequent to initial measurement, lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. The subsequent lease liability is remeasured to reflect changes in:

- the lease term using the revised discount rate;
- assessment of any purchase options; and
- amounts payable or expected to be payable under residual value guarantees.

All subsequent remeasurements are treated as adjustments to the right-of-use assets. Where the right-of-use asset value is nil, any adjustment is recognized in profit and loss.

The University measures the right-of-use asset at the cost less accumulated depreciation and impairment. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, this is considered to be shorter than the lease term. The University assesses whether the right-of-use assets are impaired by applying IAS 36 Impairment of Assets on an annual basis.

Lease modifications are accounted for as separate leases if the modification increases the scope of the lease by adding the right to use one or more underlying assets and the consideration for the lease increases by an amount commensurate with the stand-alone price for the increase in scope. Lease modifications that do not give rise to a separate lease are accounted for by adjusting the lease liability and right-of-use asset.

Expenses relating to short term leases of 12 months or less, all leases of low value assets and those leases with payments which are variable in nature are expensed to profit and loss in the period in which the cost is incurred.

1.14 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, deposits held at call with banks, short-term investments in money market instruments, net of bank overdrafts and other short-term, highly liquid investments with original maturities of three months or less. Bank overdrafts that are repayable on demand and form an integral part of the University's cash management are included as a component of cash and cash equivalents. Where no legal right of set-off exists against bank deposits, bank overdrafts are included under current liabilities in the consolidated statement of financial position. Cash and cash equivalents are initially measured at the fair value and subsequently measured at amortised cost.

Deposits and money market funds with original maturities ranging from four to twelve months are classified as fixed deposits and money market funds.

University of KwaZulu-Natal

Consolidated Financial Statements for the year ended 31 December 2025

Accounting policies

1.15 Impairment

At each financial year-end date, an assessment of the carrying amounts of property, plant and equipment, investments and other assets is made to determine whether there are any indications of impairment. If such indication exists, the estimated recoverable amounts of the impaired assets are determined and adjusted accordingly. The resultant impairment losses on the differences between the recoverable and carrying amounts are recognised in the consolidated statement of profit and loss, unless the relevant assets are carried at revalued amounts, in which case the impairment losses are reversed against the revaluation reserve through Other Comprehensive Income.

An impairment loss is reversed only to the extent that an asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, had no impairment loss been recognised.

1.16 Computer software

Costs associated with developing computer software programmes are recognised as expenses when incurred.

- it forms part of the cost of an intangible asset that meets the recognition criteria, or
- the item is acquired in a business combination and cannot be recognised as an intangible asset. If this is the case, it forms part of the amount recognised as goodwill at the acquisition date

1.17 Deferred grants

Deferred Government grants arise as a result of grants received from Government bodies related to capital. These grants are deferred and released to income when utilised.

Grants that are conditional and received in advance of the conditions being met is recognised as deferred grants. State appropriations and grants relating to capital assets are included in non-current liabilities as deferred grants and are released to surplus and deficit on a straight-line basis over the expected useful lives of the related assets. The portion of the grants that will be released to surplus and deficit during the next 12 months is included in current liabilities as current deferred grants. The University adopts the income approach whereby the grant is not credited to the carrying amount of the capital asset.

1.18 Related parties

Related parties are considered to be related if one party has the ability to control or jointly control the other party or exercise significant influence over the other party in making financial and operational decisions. Key management staff are also regarded as related parties. Key management staff are those persons having authority and responsibility for planning, directing and controlling the activities of the University.

1.19 Normal taxation

The University is exempted from South African Income Taxation in terms of section 10 of the South African Income Tax, 1962 (Act no 58 of 1962).

1.20 Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the University, or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability. If the likelihood of an outflow of resources is remote, the possible obligation is neither a provision nor a contingent liability and no disclosure is made.

University of KwaZulu-Natal

Consolidated Financial Statements for the year ended 31 December 2025

Accounting policies

1.21 New standards

International financial reporting standards and interpretations effective and adopted in the current year

Standard/Interpretation	Description	Effective for annual periods beginning on or after	Expected impact
IAS21 amendments- lack of exchangeability	The amendments introduce requirements to assess when a currency is exchangeable into another currency and when it is not. The amendments require an entity to estimate the spot exchange rate when it concludes that a currency is not exchangeable into another currency	1 January 2025	The impact of the amendment is not material

University of KwaZulu-Natal

Consolidated Financial Statements for the year ended 31 December 2025

Accounting policies

New standards (continued)

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2025 reporting periods and have not been adopted by the University. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

International financial reporting standards and interpretations not yet effective and not early adopted:

Standard/Interpretation	Description	Effective for annual periods beginning on or after	Expected impact
IFRS 18 Presentation and Disclosure in Financial Statements	IFRS 18 Presentation and Disclosure in Financial Statements replaces IAS 1 Presentation of Financial Statements and is mandatory effective for annual reporting periods beginning on or after 1 January 2027. - The statement of profit or loss, including requirements for mandatory sub-totals to be presented. IFRS 18 introduces requirements for items of income and expense to be classified into one of five categories in the statement of profit or loss. This classification results in certain sub-totals being presented, such as the sum of all items of income and expense in the operating category comprising the new mandatory 'operating profit or loss' sub-total. - Aggregation and disaggregation of information, including the introduction of overall principles for how information should be aggregated and disaggregated in financial statements. - Disclosures related to management-defined performance measures (MPMs), which are measures of financial performance based on a total or sub-total required by IFRS Accounting Standards with adjustments made (e.g. 'adjusted profit or loss'). Entities will be required to disclose MPMs in the financial statements with disclosures, including reconciliations of MPMs to the nearest total or sub-total calculated in accordance with IFRS Accounting Standards. The aim of the IASB in publishing IFRS 18 is to improve comparability and transparency of companies' performance reporting. IFRS 18 has also resulted in narrow changes to the statement of cash flows.	1 January 2027	The amendment is likely to have material impact
Amendments to IFRS 19 Subsidiaries without Public Accountability: Disclosures	IFRS 19 allows eligible subsidiaries to apply IFRS Accounting Standards with the reduced disclosure requirements of IFRS 19. A subsidiary may choose to apply the new standard in its consolidated, separate or individual financial statements provided that, at the reporting date (a) it does not have public accountability (b) its parent produces consolidated financial statements under IFRS Accounting Standards.	1 January 2027	The amendment is unlikely to have material impact

University of KwaZulu-Natal

Consolidated Financial Statements for the year ended 31 December 2025

Accounting policies

New standards (continued)

IFRS7 and IFRS 9 amendments- Classification and measurement requirements for financial instruments.	Derecognition of financial liabilities - Derecognition of financial liabilities settled through electronic transfers. Classification of financial assets - Elements of interest in a basic lending arrangement (the solely payments of principle and interest assessment – ‘SPPI test’) - Contractual terms that change the timing or amount of contractual cash flows - Financial assets with non-recourse features - Investments in contractually linked instruments. Disclosures - Investments in equity instruments designated at fair value through other comprehensive income - Contractual terms that could change the timing or amount of contractual cash flows. The amendments may significantly affect how entities account for the derecognition of financial liabilities and how financial assets are classified.	1 January 2026	The amendment is unlikely to have material impact
--	---	----------------	---

University of KwaZulu-Natal

Consolidated Financial Statements for the year ended 31 December 2025

Notes to the consolidated financial statements

	2025 R '000	2024 R '000
2. Revaluation reserve		
The revaluation reserve arising on land and buildings has been separately disclosed on the Consolidated Statement of Financial Position.		
The non-distributable revaluation reserve is made up of surpluses arising on the revaluation of land and buildings and is presented on the Consolidated Statement of Financial Position as R 2,424 million (2024: R 1,940 million).		
Refer to note 3, Property, plant and equipment for further explanation of the fair value assessments performed at year-end.		
Revaluation reserves		
Opening balance	1 940 292	1 856 201
Release of revaluation reserves	(89 220)	(81 601)
Revaluation - Current year	573 671	165 692
Closing balance	2 424 743	1 940 292

University of KwaZulu-Natal

Consolidated Financial Statements for the year ended 31 December 2025

Notes to the consolidated financial statements

Figures in Rand thousand

3. Property, plant and equipment

Reconciliation of property, plant and equipment at 31 December 2025

	Land and Buildings R'000	Assets under Construction R'000	Furniture and Equipment R'000	Motor Vehicles R'000	Museum Collections R'000	Right of use Asset R'000	Total R'000
Cost or valuation	5 076 636	438 492	1 417 533	115 880	1 615	1 603 003	8 653 159
Accumulated depreciation and impairment	-	(7 122)	(1 022 186)	(66 434)	(1 493)	(1 479 887)	(2 577 122)
Carrying value	5 076 636	431 370	395 347	49 446	122	123 116	6 076 037
Opening carrying value	4 342 369	521 022	362 030	26 215	125	237 225	5 473 718
Additions	73 454	155 070	114 532	31 126	-	-	374 182
Transfers	238 287	(244 722)	6 435	-	-	-	-
Lease modification	-	-	-	-	-	13 797	13 797
Disposals at carrying value	-	-	(1 449)	(996)	-	(8 750)	(11 195)
Revaluations of buildings	573 671	-	-	-	-	-	573 671
Depreciation	(151 145)	-	(86 201)	(6 899)	(3)	(119 156)	(363 404)
Closing carrying value	5 076 636	431 370	395 347	49 446	122	123 116	6 076 037

University of KwaZulu-Natal

Consolidated Financial Statements for the year ended 31 December 2025

Notes to the consolidated financial statements

Figures in Rand thousand

Reconciliation of property, plant and equipment at 31 December 2024

	Land and buildings R'000	Assets under Construction R'000	Furniture and Equipment R'000	Motor vehicles R'000	Museum Collections R'000	Right of use Asset R'000	Total R'000
Cost or revaluation	4 915 923	528 144	1 301 974	86 822	1 615	1 602 141	8 436 618
Accumulated depreciation	(573 554)	(7 122)	(939 944)	(60 607)	(1 490)	(1 364 916)	(2 947 633)
Carrying value	4 342 369	521 022	362 030	26 215	125	237 225	5 488 985
Opening carrying value	4 128 800	275 019	285 035	20 658	119	122 250	4 831 881
Additions	117 068	324 668	167 337	9 411	48	350 545	969 077
Transfers	78 665	(78 665)	-	-	-	-	-
Lease modification	-	-	-	-	-	6 275	6 275
Disposals at carrying value	-	-	(17 993)	(383)	-	-	(18 377)
Revaluations	165 692	-	-	-	-	-	165 692
Depreciation and impairment	(147 856)	-	(72 349)	(3 471)	(42)	(241 845)	(465 563)
Closing carrying value	4 342 369	521 022	362 030	26 215	125	237 225	5 488 985

Nil book value assets

The University assessed the useful lives of all movable assets (furniture and equipment, motor vehicles and museum collections) with a nil book value. Based on the outcome of this assessment, the useful lives of the affected assets were revised, and the resulting adjustments were processed in the annual financial statements.

University of KwaZulu-Natal

Consolidated Financial Statements for the year ended 31 December 2025

Notes to the consolidated financial statements

	2025 R '000	2024 R '000
--	----------------	----------------

A register of land and buildings is available for inspection at the University's business address. The University is not permitted to dispose of, or otherwise alienate its land and buildings without the prior approval of the University Council and the Department of Higher Education and Training.

Fair Value of Land and Buildings

In line with the University's accounting policy, land and buildings are carried at the revalued amounts less subsequent accumulated depreciation and impairment losses.

An independent valuation of the University's land and buildings was performed by professional valuers Mills Fitchet, to determine the fair value of the land and buildings as at 31 December 2025. The revaluation surplus which resulted from the valuation performed as at 31 December 2025 was credited to other comprehensive income and is reflected within 'Revaluation Reserve' on the consolidated statement of changes in funds and reserves.

A combination of valuation approaches were employed to determine fair market value, namely the income approach and the cost approach.

The cost approach was predominantly applied to the majority of property holdings. This was due to the unique characteristics of these properties, including their size, specialized nature, and limited marketability, which often make direct comparisons or income-based valuations less suitable. Under this approach, the value is derived from the estimated cost to reproduce or replace the property, less any accumulated depreciation, plus the value of the underlying land.

All valuations adhered to generally accepted valuation principles and methods. The process utilized available market and valuation reporting information, with appropriate recognition of depreciation where warranted, to ensure a fair and accurate determination of property values.

The following table analyses the non-financial assets carried at fair value less subsequent depreciation and impairment losses, by valuation method. The different levels have been defined as follows:

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

Fair value measurements at 31 December 2025	Level 1	Level 2	Level 3	Total
Land and buildings				
Land	-	-	553 634	553 634
Lecture halls and administration buildings	-	-	3 985 168	3 985 168
Residences	-	-	482 692	482 692
	-	-	5 021 494	5 021 494

Surpluses arising on the revaluation of land and building assets are credited to a non-distributable revaluation reserve with an amount being released annually from the reserve to the main operating fund so as to match the depreciation method of the related asset over its remaining useful life. The movement in the revaluation reserve for land and buildings is as follows:

Revaluation Reserve - Land and buildings

Opening balance	1 940 292	1 856 201
Release of revaluation reserve	(89 220)	(81 601)
Revaluation-current year	573 671	165 692
Closing Balance	2 424 743	1 940 292

Valuation processes of the University

The University engages external, independent, and qualified valuers to determine the fair value of land and buildings. Periodically, the University performs a formal valuation. As at 31 December 2025 a full valuation of land and buildings was performed, the fair value of land and buildings have been determined by professional valuers, Mills Fitchet, registered with the South African Council for the Property Valuers Profession in terms of the Property Valuers Profession Act (Act No. 47 of 2000).

University of KwaZulu-Natal

Consolidated Financial Statements for the year ended 31 December 2025

Notes to the consolidated financial statements

	2025 R '000	2024 R '000
--	----------------	----------------

Sensitivity analysis

A sensitivity analysis on the assumptions of the valuation was done and the valuation of land and buildings changed materially. The sensitivity analysis for buildings allowed for any variation in market conditions that occurred in the 2025 financial year. The University buildings are situated across five campuses, the income approach was used on the student residences and the depreciated replacement cost method was utilised in all other buildings.

The sensitivity analysis is performed on the assumption that when one input changes (rate per bed in the case of income approach and replacement cost per square metre in the case of replacement cost approach), all other inputs remain the same. A positive outlook on the input variables given an increase of 2%, and a negative outlook on the input variables given a decrease of 2% would have the following impact on the carrying values of land and buildings

Description	2% increase R'000	2% decrease R'000	Key unobservable inputs
Student residences	12 121	(12 121)	Rate per bed
Lecture halls, admin buildings and other buildings	88 308	(88 308)	Replacement cost per square metre

4. Investments

Investments at fair value through profit or loss

Market value at the beginning of the year	2 894 631	2 606 213
Additions of investments	388 122	1 557 245
Withdrawal of investments	(399 604)	(1 608 705)
Reinvestment of net investment income	120 795	118 492
Net gain/(loss) on investments	463 405	221 386
Closing market value at the end of the year	3 467 349	2 894 631

Total investment comprise the following categories:

Local		
Equities	1 406 140	1 378 498
Money market	170 809	258 891
Bonds	683 215	206 915
Property	3 747	1 029
Other	15 657	7 539
Unit trusts	352 960	829 975
International		
International market	834 821	211 784
Total investments	3 467 349	2 894 631

Investments are classified at fair value through profit or loss in terms of IFRS 9. As a result, fair value gains and losses are recorded in the profit and loss.

The following table presents financial assets and liabilities measured at fair value in the statement of financial position in accordance with the fair value hierarchy. This hierarchy groups financial assets and liabilities into 3 levels based on the significance of inputs used in measuring of the fair value of the assets and liabilities. The fair value hierarchy has the following levels:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs). UKZN does not have any level 3 investments.

The level within which the financial asset or liability is classified is determined based on the lowest level of significant input to the fair value measurement. The fair value hierarchy has not changed from the prior year. The financial assets and liabilities measured at fair value in the statement of financial position are grouped into the fair value hierarchy as follows:

University of KwaZulu-Natal

Consolidated Financial Statements for the year ended 31 December 2025

Notes to the consolidated financial statements

	2025 R '000	2024 R '000
Fair value through profit and loss*	Level 1 R'000	Total R'000
Equities	1 406 140	1 406 140
Money market	170 809	170 809
Bonds	683 215	683 215
International market	834 821	834 821
Property	3 737	3 737
Other	15 567	15 567

Revaluation Reserve - Investments

The cumulative fair value gains and losses are recorded in a non-distributable revaluation reserve for investments. The revaluation reserve for investments increased in 2025 due to a increase in the unrealised gains and fair value of investments held at year end. The balance on the revaluation reserve for investments for the past two financial years is presented below:

Investment reserve	1 676 254	1 212 849
--------------------	-----------	-----------

5. Non-current receivables

Student loans	524 641	524 912
Accumulated impairment losses - student loans	(524 641)	(524 912)
Net student loans	-	-
Long term fixed deposit*	91 081	83 601
	91 081	83 601

Student loans: movements for the year

Opening carrying value	-	-
(Decrease) in student loans	(193)	(677)
Repayment of student loans	(133)	(15)
Impairment gains recognised	326	692
Closing carrying value	-	-

Debt instruments are measured at amortised cost under IFRS 9 as they are held by the University to collect contractual cash flows and these cash flows consist solely of payments of principal and interest on the principal amount outstanding. The carrying values of debt instruments approximate the fair value.

* The portion of long-term fixed deposit amounting to R91,081 million has been ceded to DBSA (refer note 10) as collateral for the loan owed for the duration thereof which is payable by 30 September 2027. Failure to comply with the terms and conditions of the loan agreement will result in DBSA-the Cessionary taking over the fixed deposit.

The long-term fixed deposit is held with ABSA and Investec at ratio of 47% and 53% respectively (2024: 47% and 53% respectively).

6. Inventories

Consumables	1 936	258
-------------	-------	-----

Amount recognised in net surplus

During the year, 7 504 (2024: 7 745) laptops were issued to students with a total cost of R43,2 million (2024: R59,7 million) This expenditure is included under other operating expenses.

University of KwaZulu-Natal

Consolidated Financial Statements for the year ended 31 December 2025

Notes to the consolidated financial statements

	2025 R '000	2024 R '000
7. Account receivable and prepayments		
Financial instruments:		
Student fees receivable	2 460 701	2 227 046
Loss allowance on student fees receivable	(2 180 043)	(2 081 392)
Net student fees receivable	280 658	145 654
Trade and other receivables	413 843	352 288
Loss allowance on trade and other receivables	(73 846)	(218 648)
Net trade and other receivables	339 997	133 640
Prepayments	16 510	5 563
Interest receivable	508 893	336 986
Total accounts receivable and prepayments	1 146 058	621 843

Categorisation of trade and other receivables

Trade and other receivables are categorised as follows in accordance with IFRS 9: Financial Instruments and their carrying values approximate fair value:

At amortised cost	1 146 058	621 843
-------------------	-----------	---------

8. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash at bank and on hand	143 201	56 102
Short-term deposits	425 640	448 913
	568 841	505 015

The University has a bank overdraft facility and other facilities of R426 million, which are available, if required, to finance its short-term working capital needs. The overdraft rate, when applicable, is linked to the prevailing prime bank rate and at 31 December 2025 was 10.25% per annum.

Interest is earned on call accounts and short-term notice deposits at current market rates. The average effective interest rate for 2025 was 8.91%.

Cash and equivalents are carried at amortised cost and their carrying values approximate fair value.

9. Fixed deposits and money market funds

Fixed deposits and money market funds	8 200 098	7 430 090
---------------------------------------	-----------	-----------

The cash at bank, short-term bank deposits, long-term fixed deposit, fixed deposits and money market funds are held in institutions with a P-3 rating (Moody's).

Fixed deposits and money market funds are carried at amortised cost and their carrying values approximate fair value.

Financial Institution	Long-term Issuer Default Rating	Short-term Issuer Default Rating
Nedbank	Baa3	P-3
Standard Bank	Baa3	P-3
RMB	Baa3	P-3
Investec	Baa3	P-3
ABSA	Baa3	P-3

University of KwaZulu-Natal

Consolidated Financial Statements for the year ended 31 December 2025

Notes to the consolidated financial statements

	2025 R '000	2024 R '000
10. Borrowings		
10.1. Interest-bearing loans		
Development Bank of Southern Africa (DBSA) loan - tranche 1	49 473	71 272
Development Bank of Southern Africa (DBSA) loan - tranche 2	82 895	98 684
Lease liabilities (note 11)	206 729	346 390
Total borrowings	339 097	516 346
Current portion	(201 024)	(172 174)
Development Bank of Southern Africa (DBSA) loan - tranche 1	(23 702)	(21 798)
Development Bank of Southern Africa (DBSA) loan - tranche 2	(15 789)	(9 414)
Lease liabilities (note 11)	(161 533)	(140 963)
Total non-current borrowings	138 073	344 171

Interest-bearing loans are held to maturity at amortised cost and their carrying values approximate fair value.

The loans from the DBSA were used to finance capital infrastructural development and with the exception of a R91,081 million cession of a fixed deposit (refer to note 5), are unsecured. The first loan is for a period of twenty years, bears interest at a fixed rate of 8.55% per annum and is repayable in equal half-yearly instalments, the last of which is due in 2027. The second loan is for a period of twenty years, bears interest at a variable rate of 3 months JIBAR plus a marginal interest rate, per annum repayable in equal quarterly instalments, the last of which is due in 2031. The effective interest rate at the end of 2025 amounted to 11.2%, this loan will be impacted by the transition from JIBAR to ZARONIA and details are disclosed below.

Interest Rate Benchmark Reform – Transition from JIBAR to ZARONIA

The University is currently transitioning its financial instruments that reference the Johannesburg Interbank Average Rate (JIBAR) to the ZARONIA in response to the South African Reserve Bank's (SARB) reform of benchmark interest rates.

Progress on the Transition: In November 2025, the University received formal notice from the DBSA regarding the transition of Loan No: 61000906. The transition involves replacing the 3-month JIBAR base rate with ZARONIA plus a CAS.

The transition for this facility includes the following key changes:

- Base Interest Rate: Shift from 3-month JIBAR to ZARONIA plus applicable CAS.
- Margin: Remains fixed at 200 bps
- Methodology: Adoption of a 5-day lookback period with no observation shift

The specific CAS is expected to be finalised in 2026 based on the Market Practitioners Group's (MPG) recommended methodology to ensure economic equivalence and minimize value transfer between parties.

The table below summarizes the carrying amount of financial instruments impacted by the reform that have yet to transition to an alternative benchmark rate as of 31 December 2025.

Details	Financial instrument	Original benchmark	Carrying amount	Status
20 years interest bearing loan of R300 million, redemption date 31 March 2031	DBSA Loan 61000906	3-month JIBAR	82 895	Agreement signed pending 2026 implementation

10.2. Loans: terms and repayment schedule

	2025		2024	
	Interest rates (per annum)	Year of maturity	Interest rates (per annum)	Year of maturity
Development Bank of Southern Africa (DBSA) – tranche 1	8,55 %	2027	8,55 %	2027
Development Bank of Southern Africa (DBSA) – tranche 2	11,20 %	2031	11,20 %	2031
Lease liabilities				
Westville residences lease	11,26 %	2028	11,26 %	2028
Other residence leases	8,95-9,18%	2024-2026	9,76-10,5%	2024-2026

The total repayments for loans from DBSA amounted to R37.127 million in 2025 (2024: R35,382 million).

University of KwaZulu-Natal

Consolidated Financial Statements for the year ended 31 December 2025

Notes to the consolidated financial statements

	2025 R '000	2024 R '000
11. Lease liabilities		
Opening balance	346 390	249 304
Additions	-	350 544
Lease modification	13 796	6 275
Derecognition	(8 982)	-
Finance cost	27 051	46 496
Repayment	(171 526)	(306 229)
Closing balance	206 729	346 390
Lease liabilities		
Total lease liability (Note 10.1)	206 729	346 390
Current portion (Note 10.1)	(161 533)	(140 963)
Non-current portion of lease liabilities	45 196	205 427

The escalation on the Westville residence lease, which accounts for R76,874 million of the above balance (2024: R102,843 million), is 7% per annum. There are no renewal terms or restrictions on the lease.

In addition to the Westville residence, the University enters into contracts with third party service providers for student accommodation. The lease liability constitute R129,854 million (2024: R243,546) of the above balance.

The capitalised finance lease assets (see below) serve as security for the lease liabilities. The interest rates used represent the market-related interest rates at the inception dates of the respective lease agreements.

Right of use assets	Cost	Accumulated depreciation	2025	2024
	R '000	R '000	R '000	R '000
Opening carrying value	1 602 140	(1 364 916)	237 224	122 250
Right of use asset additions	-	-	-	350 544
Annual escalation in lease rentals	13 797	-	13 797	6 275
Depreciation and Impairment	-	(119 156)	(119 156)	(241 845)
Disposal	(12 935)	4 185	(8 750)	-
Closing carrying value	1 603 002	(1 479 887)	123 115	237 224
Reconciliation of minimum lease payments with present values as at 31 December 2025	Due within 1 year	Due within 2 to 5 years	2025	2024
	R '000	R '000	R '000	R '000
Minimum lease payments	174 142	48 470	222 612	392 227
Finance costs	(12 603)	(3 280)	(15 883)	(45 837)
Closing carrying value	161 539	45 190	206 729	346 390

Total leases which have not been capitalised but recognised in profit or loss

Short-term and low values leases	66 338	160 002
Leases with variable lease payments	8 452	50 259
Total	74 790	210 261

The total repayments for leases amounted to R171,526 million (2024: R308,607 million) . Of this R144,475 million (2024: R262,111 million) relates to principal repayments and R27,051 million (2024:R46,496 million) relates to finance costs.

University of KwaZulu-Natal

Consolidated Financial Statements for the year ended 31 December 2025

Notes to the consolidated financial statements

	2025 R '000	2024 R '000
--	----------------	----------------

12. Post-retirement obligations

The University offers post-retirement benefits to qualifying employees, comprising a defined benefit pension plan and post-retirement medical aid benefits. These benefits are accounted for in accordance with IAS 19.

The defined benefit pension plan provides eligible employees with retirement income based on factors such as years of service and contributions made to the fund. The post-retirement medical aid benefit entails the University's contribution to the medical aid premiums of qualifying retired employees and their registered dependents.

The defined benefit plans are administered by NBC Holdings, an independent entity from the University. The Board of Trustees which comprises of University employees has been appointed to manage the fund to achieve the best possible returns on the assets of the fund.

These defined benefit plans expose the university to the following risks;

- Investment risk
- Interest rate risk
- Currency risk and;
- Longevity risk

Defined benefit plans

Health care benefits (note 12.1)	1 250 319	1 098 930
Provident and pension fund (note 12.2)	(207 433)	(180 654)
	1 042 886	918 276

Sensitivity analysis

In the South African context, a 1% sensitivity assumption is a widely adopted standard for sensitivity analysis. This widespread use facilitates the comparison of results across different entities. Furthermore, a 1% change is considered appropriate for sensitivity analysis as it falls within the range of likely expected future experience.

12.1. Health care benefits

The University's obligations towards post-retirement health care obligations in respect of its two separately administered medical aid schemes were actuarially calculated by Momentum Life as at 31 December 2025 and are disclosed in terms of IAS 19: Employee Benefits, as follows:

	UKZN Medical Scheme R'000	Bonitas Medical Scheme R'000	2025 R'000	2024 R'000
Amount accrued in respect of health care obligations	906 554	343 765	1 250 319	1 098 930

Movement in the health care benefit liability over the current year is as follows:

Balance at beginning of the year (at 1 January 2025):	801 685	297 245	1 098 930	1 066 369
Service cost	83 753	31 916	115 669	9 917
Interest cost	6 396	3 004	9 400	126 058
Benefit payments from the plan	(73 632)	(22 005)	(95 637)	(90 059)
Remeasurements during the year:	88 352	33 605	121 957	(13 355)
Gain/loss from financial assumptions	58 396	24 818	83 214	4 936
Other gains/losses	29 956	8 787	38 743	(18 291)
Balance at end of the year (at 31 December 2025)	906 554	343 765	1 250 319	1 098 930

University of KwaZulu-Natal

Consolidated Financial Statements for the year ended 31 December 2025

Notes to the consolidated financial statements

			2025 R '000	2024 R '000
Movement in the health care benefit liability over the prior year is as follows:				
Balance at beginning of the year (at 1 January 2024)			786 370	279 999
Service cost			7 111	2 806
Interest cost			92 073	33 985
Benefit payments from plan			(69 510)	(20 549)
Remeasurements during the year			(14 359)	1 004
Gain/loss from financial assumptions			1 668	3 268
Other gains/losses			(16 027)	(2 264)
Balance at end of the year (at 31 December 2024)			801 685	297 245
The principal actuarial assumptions used for accounting purposes are:				
	UKZN Medical Scheme 2025	Bonitas Medical Scheme 2025	UKZN Medical Scheme 2024	Bonitas Medical Scheme 2024
Health care cost inflation (per annum)	5,15%	5,5%	6,7%	6,9%
Discount rate (per annum)	8,65%	9%	10,95%	11,15%
Normal retirement age (years)	65	65	65	65
Remaining average working lives of in-service employees (years)	8,4	8,10	8,5	8,6
Post retirement mortality table:	PA (90) - 3	PA (90) - 3	PA (90) - 3	PA (90) - 3
Pre retirement mortality table:	SA 85-90 Light	SA 85-90 Light	SA 85-90 Light	SA 85-90 Light
The effect of a 1% change in the assumed health care cost inflation would be as follows:				
		UKZN Medical Scheme	Bonitas Medical Scheme	Total
1% increase	Current service and interest costs	90 013	36 906	126 919
	Aggregate defined benefit obligation	989 887	380 456	1 370 343
1% decrease	Current service and interest costs	74 469	27 761	102 230
	Aggregate defined benefit obligation	834 315	312 366	1 146 681
The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is outlined below:				
	Change in assumption	Impact on obligation		
		UKZN Medical Scheme 2025 R'000	Bonitas Medical Scheme 2025 R'000	
Post-retirement mortality	1 year increase	939 856	384 956	
Post-retirement mortality	1 year decrease	873 548	332 606	
Discount rate	1% increase	833 030	312 041	
Discount rate	1% decrease	992 668	381 404	
Retirement age	1 year increase	889 128	335 548	
Retirement age	1 year decrease	934 386	352 489	

University of KwaZulu-Natal

Consolidated Financial Statements for the year ended 31 December 2025

Notes to the consolidated financial statements

	2025 R '000	2024 R '000
--	----------------	----------------

12.2 Provident and pension fund obligations

The University's obligations towards post-retirement provident and pension fund obligations were actuarially calculated as at 31 December 2025 by Simeka Consultants and Actuaries (Proprietary) Limited (a member of the Sanlam Group) and are disclosed in accordance with IAS 19:Employee Benefits as follows :

	Provident Fund R'000	Pension Fund R'000	2025 R'000	2024 R'000
Present value of funded obligation	297 175	1 454 975	1 752 150	1 542 270
Fair value of plan assets	(355 574)	(1 614 696)	(1 970 270)	(1 846 943)
Net surplus	(58 399)	(159 721)	(218 120)	(304 673)
Irrecoverable surplus (effect of asset ceiling)	8 205	2 482	10 687	124 019
Surplus after irrecoverable surplus	(50 194)	(157 239)	(207 433)	(180 654)

Economic Benefit (net asset ceiling)

The economic benefit available to the employer is equal to the sum of the value of the Employer Surplus Account (ESA) and the present value of future contribution reductions.

The IAS 19 Pension benefits valuation report as at 31 December 2025 states that the value of the ESA in the pension fund at the valuation date was R157,239 million (2024:R140,853 million) and the value of future contribution reductions was zero. Thus, the economic benefit available to the University would be R157,239 million (2024:R 140,583 million).

The IAS 19 Pension benefits valuation report as at 31 December 2025 states that the value of the ESA in the provident fund was R50,194 million (2024:R40,071 million) as at the valuation date and that the present value of future contribution reductions was zero. Thus, the economic benefit available to the Employer would be R50,194 million (2024:R40,071 million)

The net asset limit

Paragraph 8 of IAS 19 defines the asset ceiling as "the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan". The value of the asset reflected on the balance sheet should be determined in terms of par. 64 of IAS 19, which states that the net asset recognised should be the lower of:

- the surplus in the defined benefit plan (par. 64(a)) and;
- the asset ceiling (par. 64(b))

The value determined under par. 64(a) is R58,399 million (2024 :R65,924 million) and the value of par. 64(b) is R50,194 million (2024: R40,071 million). The net asset of the provident fund is therefore limited to R50,194 million (2024: R40,071 million) at the valuation date.

The value determined under par. 64(a) is R159,721 million (2024 :R238,749 million) and the value of par. 64(b) is R157,239 million (2024:R140,583 million). The net asset of the pension fund is therefore limited to R157,239 million (2024:R140,583 million) at the valuation date.

Surplus after irrecoverable surplus

The balance of the Employer Surplus Account of the Provident Fund was R50,194 million as at 31 December 2025, as per the statutory valuation of the Fund. This has changed from R40,071 million as at 31 December 2024, due to the net investment return earned in the Fund.

The balance of the Employer Surplus Account of the Pension Fund was R157,239 million as at 31 December 2025, as per the statutory valuation of the Fund. This has changed from R140,583 million as at 31 December 2024, due to the net investment return earned in the Fund.

University of KwaZulu-Natal

Consolidated Financial Statements for the year ended 31 December 2025

Notes to the consolidated financial statements

	2025 R '000			2024 R '000		
Movement in the defined benefit liability in the current year is as follows:						
	Obligation			Asset		
	Provident Fund R'000	Pension Fund R'000	Total R'000	Provident Fund R'000	Pension Fund R'000	Total R'000
Balance as at 1 January 2025	291 087	1 251 183	1 542 270	(357 011)	(1 489 932)	(1 846 943)
Current service cost	8 970	28 581	37 551	-	-	-
Interest cost/(income)	34 399	149 900	184 299	(41 287)	(174 849)	(216 136)
Total amount recognised in profit or loss	43 369	178 481	221 850	(41 287)	(174 849)	(216 136)
Re-measurements						
Loss from change in financial assumptions	21 988	117 023	139 011	-	-	-
Loss/(gain) from change in demographic assumptions	(245)	(401)	(646)	-	-	-
Experience losses/(gains)	-	-	-	(7 105)	(11 805)	(18 910)
Total amount recognised in other comprehensive income	21 743	116 622	138 365	(7 105)	(11 805)	(18 910)
Contributions	-	-	-	(9 195)	(29 421)	(38 616)
Benefit paid	(59 024)	(91 311)	(150 335)	59 024	91 311	150 335
Balance at 31 December 2025	297 175	1 454 975	1 752 150	(355 574)	(1 614 696)	(1 970 270)

University of KwaZulu-Natal

Consolidated Financial Statements for the year ended 31 December 2025

Notes to the consolidated financial statements

	2025 R '000	2024 R '000
--	----------------	----------------

Movement in the defined benefit liability over the prior year is as follows:

	Obligation			Asset		
	Provident Fund R'000	Pension Fund R'000	Total R'000	Provident Fund R'000	Pension Fund R'000	Total R'000
Balance as at 1 January 2024	269 052	1 180 039	1 449 091	(322 426)	(1 397 330)	(1 719 756)
Current service cost	9 676	28 138	37 814	-	-	-
Return on plan asset	31 084	135 011	166 095	(37 040)	(159 272)	(196 312)
Total amount recognised in profit or loss	40 760	163 149	203 909	(37 040)	(159 272)	(196 312)
Loss from change in financial assumptions	(7 333)	(3 935)	(11 268)	-	-	-
Loss from change in demographic assumptions	38	3 645	3 683	-	-	-
Experience losses/(gains)	-	-	-	1 111	4 943	6 054
Total amount recognised in other comprehensive income	(7 295)	(290)	(7 585)	1 111	4 943	6 054
Contributions	-	-	-	(10 086)	(29 998)	(40 084)
Benefit paid	(11 430)	(91 715)	(103 145)	11 430	91 715	103 145
Balance at 31 December 2024	291 087	1 251 183	1 542 270	(357 011)	(1 489 942)	(1 846 953)

The principal actuarial assumptions underlying the IAS 19 valuation were as follows:

	2025				2024	
	Provident fund		Pension Fund		Provident Fund	Pension Fund
Discount rate (per annum)	8,38	%	8,38	%	10,45%	10,45%
Return on assets (per annum)	5,67	%	5,67	%	6,80%	6,80%
Future salary increases (per annum)	5,94	%	5,94	%	7,26%	7,26%
Post-retirement mortality table	PA (90) - 1				PA (90) - 1	

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is outlined below:

	Change in assumption on the defined benefit obligation	Increase/Decrease on obligation	
		Provident Fund R'000	Pension Fund R'000
Discount rate	1% increase	(20 066)	(106 405)
Salary inflation	1% increase	2 252	11 193
Post-retirement mortality	1 year increase	(3 544)	(24 311)
Discount rate	1% decrease	23 757	124 869
Salary inflation	1% decrease	(2 195)	(10 822)
Post-retirement mortality	1 year decrease	3 436	23 804

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method has been applied when calculating the pension liability recognised within the statement of financial position.

University of KwaZulu-Natal

Consolidated Financial Statements for the year ended 31 December 2025

Notes to the consolidated financial statements

	2025 R '000	2024 R '000
--	----------------	----------------

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

For the post-retirement medical liability, no funding arrangements are currently in place. This is due to it being a closed scheme, meaning no new members are permitted.

The University expects to pay R320 million in contributions to the provident and pension fund during 2026 in respect of its in-service members:

Post-retirement obligation amounts recognised in other comprehensive income:

	Provident Fund R'000	Pension Fund R'000	Health care Benefits R'000	Total R'000
Remeasurements	(14 638)	(104 817)	(121 957)	(241 412)
Asset ceiling applied - IAS 19	17 648	95 684	-	113 332
Total	3 010	(9 133)	(121 957)	(128 080)

University of KwaZulu-Natal

Consolidated Financial Statements for the year ended 31 December 2025

Notes to the consolidated financial statements

	2025 R '000	2024 R '000
Plan assets are held in a pure linked fund policy as defined in the Long Term Insurance Act 1998. The policy comprises a combination of assets, the value of which is directly determined by the market of the underlying investments. The following linked fund policies are held by the University:		
	Provident Fund R'000	Pension Fund R'000
ABSA	6 910	591
ABSA (Fixed Return and Growth Protector)	2 627	10 507
Ashburton	80 587	660 980
Investec	6 954	974
Nedbank	7 075	981
Ninety One General Equity	28 372	111 515
Ninety One Global Franchise	46 575	227 646
Ninety One	75 843	328 655
RMB	6 887	876
Sanlam Accumulation	45 295	216 634
Sanlam Cash	9 185	11 848
Sanlam Caution Absolute	24 209	24 917
Sanlam M50	7 170	19 490
Sanlam Wealth Creation	10 879	1 079
Standard Bank	484	512
	359 052	1 617 205

13. Employee benefits

Reconciliation of employee benefits - 2025

	Leave Pay R'000	Service Bonus R'000	Total R'000
Leave pay	96 873	-	96 873

Reconciliation of employee benefits - 2025

	Opening balance	Utilised during the year	Reversed during the year	Total
Leave pay	106 124	(28 785)	19 534	96 873

Reconciliation of employee benefits - 2024

	Opening balance	Utilised during the year	Reversed during the year	Total
Leave pay	90 458	(24 938)	40 604	106 124

The leave obligations cover the University's liability for long service leave and annual leave. The current portion of this liability includes all of the accrued annual leave, the unconditional entitlements to long service leave where employees have completed the required period of service and also those where employees are entitled to pro-rata payments in certain circumstances. The entire amount of the provision R96,87 million (2024: R106,12 million) is presented as current, since the University does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the University does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months.

The following amounts reflect leave that is not expected to be taken or paid within the next 12 months.

Current leave obligation expected to be settled after 12 months	96 873	106 124
---	--------	---------

University of KwaZulu-Natal

Consolidated Financial Statements for the year ended 31 December 2025

Notes to the consolidated financial statements

	2025 R '000	2024 R '000
14. Accounts payable and accrued liabilities		
Trade and other payables	798 232	689 742
Trust and agency monies	62 950	65 051
	861 182	754 793
Accounts payable and accrued liabilities are carried at amortised cost and their carrying values approximate fair value.		
15. Deferred income		
Non-current portion of deferred grants		
Infrastructure and Efficiency funding	1 086 895	1 057 350
Current portion of deferred grants		
Infrastructure and Efficiency funding	14 927	15 382
Ethiopian Doctoral Program	18 841	18 841
Department of Higher Education and Training (NGAP)	21 792	21 675
Other	666 742	496 534
	722 302	552 432
Reconciliation of movements for the year		
Opening balance	1 611 334	1 571 244
New grants received	378 619	219 121
Recognised as income	(180 756)	(179 031)
	1 809 197	1 611 334

Grants allocated by the Department of Higher Education and Training (DHET) and other donors have been deferred to the extent that the relevant "earmarked" funds have not yet been utilised for the purposes for which they were received. These grants are released to the consolidated statement of profit and loss in the same financial periods in which expenditure is incurred on the relevant projects. Infrastructure Efficiency Grant is recognised in the consolidated statement of profit and loss and comprehensive income over useful life of the assets concerned.

16. Students deposits

Students deposits are carried at amortised cost and their carrying values approximate fair value.

Students deposits received in advance	209 801	339 330
---------------------------------------	---------	---------

17. Government grants and subsidies

	Council- Controlled Funds R'000	Specifically Funded Activities R'000	Total 2025 R'000	Total 2024 R'000
State block grant for general purposes	2 544 562	-	2 544 562	2 547 834
Grants received for specific purposes:	-	-	180 756	179 031
Access Funding : Foundation programmes	-	22 350	22 350	9 429
Infrastructure and Efficiency Funding	-	14 927	14 927	15 382
Clinical Training Funding : Health Sciences	-	83 746	83 746	96 208
University Capacity Development Grant	-	36 172	36 172	57 991
KZN DOH: Nelson Mandela Fidel Castro Medical	-	400	400	-
Collaboration	-	-	-	-
NGAP	-	22 812	22 812	-
Other funding	-	349	349	21
Total government grants and subsidies	2 544 562	180 756	2 725 318	2 726 865

University of KwaZulu-Natal

Consolidated Financial Statements for the year ended 31 December 2025

Notes to the consolidated financial statements

	2025 R '000	2024 R '000
18. Investment income and finance costs		
Investment income		
Interest income: Short term deposits and call accounts	722 328	722 752
Income from investments classified as fair value through profit or loss	130 111	132 388
Long term investments: dividends	34 986	23 836
Long-term investments: interest	95 125	108 552
Total investment income	852 439	855 140
Finance		
Interest-bearing loans	15 113	19 639
Lease liabilities	27 051	46 496
Total finance costs	42 164	66 135

19. Tuition and other fee income

Tuition fees	1 938 395	1 819 883
Residence fees	540 329	788 769
Other fee income	42 908	36 068
	2 521 632	2 644 720

Tuition fees represent revenue generated from student academic programs, residence fees are income derived from students residing in accommodation and other fee income comprises revenue generated from various student-related charges, including application fees, supplementary examination fees, student levies, and other charges.

20. Private contracts, grants and donations

Private contracts	363 017	283 720
Grants	51 406	78 775
Donations	594 192	611 012
	1 008 615	973 507

Revenue from private contracts, grants, and donations represents financial support received from diverse sources, including individuals, corporations, and philanthropic foundations. Revenue earned from private contracts relates to income on earned from other services rendered, recoveries and the use of facilities.

21. Personnel costs

	Academic Professional R'000	Other Personnel R'000		
Salaries and wages	794 116	1 773 827	2 567 943	2 513 607
Retirement costs				
- defined contribution plans	94 333	210 713	305 046	294 387
- defined benefit plans (note 12.2)	1 767	3 947	5 714	7 597
Post-retirement health care obligations (note 12.1)	38 677	86 392	125 069	135 975
Leave pay	8 902	19 883	28 785	24 939
Total personnel costs	937 795	2 094 762	3 032 557	2 976 505

Average number of persons employed during the year

Total staff paid (including temporary) - Minimum	7 162	7 999
Total staff paid (including temporary) - Maximum	9 662	10 603

During the 2025 financial year, the University implemented an organisational restructuring process. This restructuring affected a number of employees, including members of senior management. Following the restructuring, some employees were reappointed to newly created positions, while certain existing positions were downgraded as part of the revised organisational structure.

University of KwaZulu-Natal

Consolidated Financial Statements for the year ended 31 December 2025

Notes to the consolidated financial statements

			2025 R '000	2024 R '000
22. Payments for attendance at meetings of council and its committees				
Remuneration paid for attendance at meetings of the University Council and its committees by external, non-executive members is disclosed below.				
Designation / Category	Number of members paid		2025 Remuneration paid	2024 Remuneration paid
	2025	2024	R'000	R'000
Members of Council	22	21	830	809
Members of Council Committees	7	10	114	132
Total			944	941
Name	Council (C)			
Dr L M Moja	C		27	31
Ms PN Maphoshe			16	8
Mr SM Mashita	C		-	16
Mr AD Young	C		23	39
Mr M Motsatse	C		68	66
Adv HM Maroun	C		19	8
Mrs E Maepa	C		50	47
Dr M Hay	C		23	43
Dr M Sibanda	C		67	75
Ms T Njozela	C		74	66
Mrs JJT Madavo	C		27	16
Ms K Mthimunya	C		145	151
Adv M Moerane	C		16	4
Mr M Maimane	C		78	19
Mr IS Cele			19	19
Dr M Tong	C		85	95
Prof R Howard	C		-	23
Mrs N Nkonyeni			16	16
Judge J Henriques	C		27	35
Mr M Kumalo	C		27	19
Ms MH Umlaw			16	16
Mrs BS Majozi	C		4	-
Mr T Mkhize	C		23	16
Dr A Johnson	C		16	8
Mr S Shabalala			12	19
Ms CK Louw			19	19
Ms P Motsielwa			16	19
Dr Q Mlita	C		31	31
			944	941

University of KwaZulu-Natal

Consolidated Financial Statements for the year ended 31 December 2025

Notes to the consolidated financial statements

	2025 R '000	2024 R '000
--	----------------	----------------

23. Lease and Capital commitments

23.1 Capital commitments

Capital expenditure approved at the balance sheet date, but not recognised in the financial statements, is as follows:

Property, plant and equipment

- Approved, but not yet contracted for	964 750	581 325
2023	10 467	12 608
2024	47 611	49 945
2025	234 168	518 772
2026	672 504	-
- Contracted	39 333	89 566

Department of Higher Education and Training (DHET) - Infrastructure and efficiency funding projects	196 322	155 833
---	---------	---------

In accordance with the University's undertaking to expand on-site student accommodation capacity coupled with on-going maintenance and refurbishment of university infrastructure, DHET has allocated a total budget of R320,1 million for the 2025/2026 financial year which is for Student Housing Infrastructure Programme and an additional R51,927 million for the infrastructure efficiency grant. The University has approved an amount of R300 million for the infrastructure projects out of the University's budget.

23.2 Lease commitments

At the balance sheet date the University had outstanding commitments under non-cancellable leases which are not capitalised being variable lease payments, short-term leases (leases with a lease term of 12 months or less) and low value assets (comprising mainly small items of office equipment and furniture), which fall due as follows:

Short-term and low value leases	66 338	160 002
---------------------------------	--------	---------

University of KwaZulu-Natal

Consolidated Financial Statements for the year ended 31 December 2025

Notes to the consolidated financial statements

24. Remuneration of executive management

Annualised Gross Remuneration

The following disclosures relate to the remuneration of executive management as defined in the Regulations for Reporting by Public Higher Education Institutions. Gross remuneration is based on the cost of employment to the University and comprises flexible remuneration packages, suitably annualised, and is inclusive of the employer's contributions to health and post-retirement benefits. In the case of those employees who, during 2025, held office for periods of less than the full year, the equivalent annual cost of employment has been disclosed noting that only the actual remuneration for the period employed would have been paid. Exceptional payments to executive management as defined in the Regulations for Reporting by Public Higher Education Institutions are not included in annualised gross remuneration, but are instead disclosed under the exceptional payments.

			Annualised gross remuneration	Annualised gross remuneration
		Changes and acting appointments during the year	R2025	2024
Title and Name	Post designation / portfolio	(Dates / Periods of appointment)	R'000	R'000
Executive management				
Professor N Poku	Vice-Chancellor and Principal		6 193	5 201
Professor M M Moshabela	Deputy Vice-Chancellor : Research	Resigned - 29 May 2024	-	1 103
Professor M V Mkhize	Pro-Vice Chancellor: Student Services	Resigned - 31 October 2025	1 900	1 624
Professor T Msibi	Deputy Vice-Chancellor : Teaching and Learning		2 854	2 854
Professor FN Madau	Agriculture, Engineering and Science		2 730	2 730
Professor B P Ncama	Health Sciences		2 912	3 014
Professor N J Mkhize	Humanities		3 013	3 113
Dr K E Cleland	Registrar		2 474	2 461
Professor EN Khalema	Law and Management Studies		2 576	2 531
Mr K Gobardan	Executive Director: Institutional Planning and Governance	Resigned - 31 March 2025	2 382	2 458
Mrs N Mbhele	Chief Finance Officer		3 501	3 623
Professor A A Chuturgoon	Deputy Vice-Chancellor - Research and Innovation	Appointed - 1 January 2025	2 375	-
Adv F Finden	Executive Director : Human Resources		2 593	2 519
Ms N H Zondo	Executive Director : Corporate Relations		2 326	2 435

University of KwaZulu-Natal

Consolidated Financial Statements for the year ended 31 December 2025

Notes to the consolidated financial statements

Title and Name	Post designation / portfolio	Changes and acting appointments during the year (Dates / Periods of appointment)	Annualised gross remuneration 2025 R'000	Annualised gross remuneration 2024 R'000
Deans				
Deputy Vice-Chancellor (Research)				
Professor N A Koorbanally	University Dean of Research	Appointed - 1 April 2025	1 657	1 677
Admin Office: Executive Directors (Students)				
Professor J P Sepeng	Dean: Students		1 712	1 731
College of Agriculture, Engineering and Science				
Professor O A Olaniran	Dean & HOS: Agriculture and Sciences	Appointed - 1 April 2025	2 168	1 825
Professor N Chetty	Dean: Teaching and Learning	Appointed - 1 April 2025	2 047	2 312
Professor G Bright	Dean & HOS: Engineering	Appointed - April 2025	2 230	2 325
Professor S Viriri	GSB: Executive Director & Dean	Contract ended - 31 October 2025	1 947	1 877
Professor R Goswami	Dean: Research	Appointed - 1 April 2025	1 805	-
Professor F N Mudau	Dean: Agriculture, Engineering and Science	Resigned - 30 November 2024	-	2 269
Professor R S Robinson	Dean & HOS: Chemistry and Physics	Contract ended - 30 June 2025	1 806	1 825
College of Health Sciences				
Professor M V Mabandla	Dean: Laboratory Medicine & Medical Sciences	Contract ended - 31 October 2025	1 931	1 952
Professor R Masekela	Dean & HOS: Medicine	Appointed - 1 July 2025	3 173	-
Professor K P Mashige	Dean & HOS: Health Sciences	Appointed - 1 April 2025	2 152	1 976
Professor D D Khambule	Dean: Research	Appointed - 1 May 2025	1 440	-
Professor A A Chuturgoon	Dean: Research	Contract ended - 31 December 2024	-	2 038
Professor A S Voce	Dean & HOS: Nursing Public Health	Contract ended - 31 October 2025	1 392	1 407
Professor S E Duma	Dean: Teaching and Learning	Appointed 1 April 2025	1 806	1 826
College of Humanities				
Professor R G M Hoskins	Dean: Teaching and learning	Appointed - 1 July 2025	1 612	1 630
Professor V B A Ojong	Dean: Research	Appointed - 1 April 2025	1 758	1 763
Professor E M Mgqwashu	Dean & HOS: Education	Appointed - 1 July 2025	1 624	-
Professor F G Settler	Dean & HOS: Social Science	Appointed - 1 July 2025	1 496	-
Professor E Khalema	Dean: Humanities, Development and Social Sciences	Resigned - 30 November 2024	-	1 541
Professor M Matoane	Dean & HOS: Applied Human Sciences	Contract ended - 30 September 2025	1 854	1 874
Professor P J Morojele	Dean: Research - College of Humanities	Resigned - 14 March 2024	-	1 642
Professor S R Kumalo	Dean & HOS: Religion	Contract ended - 21 October 2025	1 550	1 476
Professor N P Hlongwa	Dean & HOS: Arts	Appointed - 1 April 2025	1 979	1 819
College of Law & Management Studies				
Professor M Sibanda	Dean & HOS: Accounting, Economics and Finance	Appointed - 1 January 2025	1 790	1 809
Professor S M Mutula	Dean & HOS: Commerce	Appointed - 1 April 2025	1 850	1 873
Professor S Viriri	GSB: Executive Director & Dean	Appointed - 1 December 2025	1 947	-
Professor S M Nyatanga	Dean: Research	Appointed - 1 November 2025	1 600	-
Professor B C Nomlala	Dean: Teaching and Learning	Appointed - 1 July 2025	1 532	-
Professor F D Mnyongani	Dean & HOS: Law		1 281	1 280
Professor C L Muller	GSB: Executive Director & Dean	Contract ended - 30 September 2025	1 466	1 482

During the 2025 financial year, the University implemented a restructuring. This restructuring affected certain employees, including members of senior management, some of whom were subsequently reappointed to their current positions.

University of KwaZulu-Natal

Consolidated Financial Statements for the year ended 31 December 2025

Notes to the consolidated financial statements

Title and Name	Post designation / portfolio	Changes and acting appointments during the year (Dates / Periods of appointment)	Annualised gross remuneration 2025 R'000	Annualised gross remuneration 2024 R'000
Senior Management				
Mr S C Camp	Executive Director: University of KwaZulu-Natal Foundation	Appointed - 1 January 2025	1 805	897

Exceptional Payments

During the year, the following exceptional payments, i.e. in excess of R249 999, were made to members of the Executive. Exceptional payments, as defined for this purpose in terms of the Higher Education Act, include the commutation of leave, special bonuses and exceptional amounts arising on termination of employment with the University. Unless they are recurrent in nature, exceptional payments do not constitute part of the annualised gross remuneration disclosed in Annualised Gross Remuneration above.

		2025 R'000
Dr K E Cleland	Leave pay on resignation	281
Mr K Gobardan	Pay on mutual separation	3 918
Professor N Poku	Once - off Salary adjustment	1 020

25. Other operating expenses

The following items have been included in other operating expenses:

	2025 R '000	2024 R '000
Other		
Utilities	283 363	243 647
Repairs and maintenance	151 507	172 674
Travel - Flights, car hire, accommodation and subsistence allowance	114 212	126 799
Rates	125 785	125 718
Consumables	130 072	132 104
Lease expenses	46 141	121 656
Library acquisitions	96 293	92 379
Transport	56 228	89 046
Software costs	80 683	87 179
Facilities management services	63 996	54 906
Communication	40 190	44 973

University of KwaZulu-Natal

Consolidated Financial Statements for the year ended 31 December 2025

Notes to the consolidated financial statements

		2025 R '000	2024 R '000
26. Cash generated from operations			
Net surplus for the year	-	1 967 000	1 571 441
Adjustments for:			
Depreciation	3	363 403	465 563
Loss on disposal of property, plant and equipment	3	11 195	18 377
Dividend income	18	(34 986)	(23 836)
Interest income	18	(817 453)	(831 304)
Movement in ABSA vehicle lease		-	(557)
Net increase /(decrease) in post-retirement obligations		(3 470)	13 439
Net increase/(decrease) in accruals for leave pay and service bonuses		(9 251)	15 665
(Decrease) in accumulated impairment losses (student loans)		(272)	(692)
Decrease in student loans		139	677
Fair value (gains)/losses		(463 405)	(221 386)
Increase/ (decrease) in deferred grants		29 547	(14 843)
Expected credit losses		(46 150)	181 564
Finance costs	18	42 164	66 135
Changes in working capital:			
Decrease in accounts receivable excluding expected credit losses		(478 063)	(248 391)
Increase in inventories		(1 678)	(50)
Increase /(decrease) in accounts payable and accrued liabilities		106 389	118 709
Increase/(decrease) in current portion of deferred grants		169 869	53 382
Increase/(decrease) in student deposits		(129 529)	59 893
		705 449	1 223 786

Net debt reconciliation

This section sets out an analysis of net debt movements for the year ended 31 December.

Net debts comprises:

Cash and cash equivalents	568 841	505 015
Non-current borrowings	(138 073)	(344 171)
Current borrowings	(201 024)	(172 174)
	229 744	(11 330)

	Assets	Liabilities from financing activities		
	Cash and cash equivalents R'000	Borrowings due within one year R'000	Borrowings due after one year R'000	Total R'000
Opening balance at 31 December 2024	505 015	(172 174)	(344 171)	(11 330)
Cash flows	63 826	177 248	-	241 074
Non-cash flows	-	(206 098)	206 098	-
Net debt as at 31 December 2025	568 841	(201 024)	(138 073)	229 744

University of KwaZulu-Natal

Consolidated Financial Statements for the year ended 31 December 2025

Notes to the consolidated financial statements

	2025 R '000	2024 R '000
27. Contingent liabilities		
During the ordinary course of its business, the University enters into a wide range of academic, research, commercial and community outreach programmes, contracts and transactions that expose it to varying types and degrees of risk. As far as it is practicable to do so, provisions are made for known liabilities that are expected to materialise. Possible obligations and known liabilities where no reliable estimate can be made or it is considered improbable that an outflow will result, are noted as contingent liabilities in accordance with International Financial Reporting Standard IAS 37: Provisions, Contingent Liabilities and Contingent Assets. The most significant contingent liabilities in respect of 2025 and subsequent thereto are described briefly below. Various claims against the University are either pending or in progress. Having sought and obtained legal advice on each of these matters, management is of the opinion that no material losses will arise from these claims. The University's aggregate exposure resulting from litigation claims are not considered to be vexatious in nature. The active and pending matters relate to claims made against the University by staff and suppliers. These claims are based on the representations received from the respective attorneys handling such claims on behalf of the University and the University legal advisors.		
Guarantees issued to eThekweni Municipality, Eskom, Oilco and the South African Post Office amounted to approximately:	8 752	8 752

28. Financial instruments and risk management

Overview

The University's principal financial instruments comprise investments, non-current receivables in the form of student loans, student fee debtors, trade and other receivables; cash and short-term bank deposits; interest bearing borrowings, accounts payable, including monies held in trust and on an agency basis.

The University Council has overall responsibility for the establishment and oversight of the University's risk profile. Council has established the Audit & Risk, Finance and other committees to develop, monitor and manage the University's risk management policies on its behalf and Executive management is responsible for implementing, managing and complying with selected risk management strategies. All potential risks are identified, evaluated and managed as appropriate. Risk management policies, systems and procedures are reviewed regularly to reflect changes in market conditions, the higher education sector and in the University's operating environment. The Chairpersons of the respective committees, the Vice Chancellor and other members of Executive management report regularly to the Council on risk management activities and results. The University, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees, students and other stakeholders understand their roles and obligations.

The University's policies regarding insurance and risk cover are set and monitored by the Finance Committee. Likewise, decisions on the level of financial risk are taken by the Finance Committee and enforced by the University's Finance Division in terms of established limits by reference, in each case, to the particular transaction type, the monetary amounts and the counter-parties involved. Financial risks arising from the University's use of financial instruments include the following:

- Credit risk
- Liquidity risk
- Foreign currency risk
- Interest rate risk
- Investment risk

Credit risk

The University has no significant concentrations of credit risk. As a matter of policy, the University trades only with recognised, creditworthy third parties, who are subject to credit verification procedures, terms and conditions of trade specified by the University.

The University's credit risk exposure is represented primarily by the net aggregate balance of amounts receivable in respect of unpaid student fees, loans and general trade receivables. Other measures, including the withholding of examination results, denied re-admission after the first semester and the refusal to allow students in default of their financial obligations to register in the ensuing academic year, are applied to minimise credit risk. Debt collection procedures are applied as diligently as circumstances permit, both by the University Finance Division and also by externally-appointed attorneys acting on behalf of the University, and in such a way as to minimise risk and related collection costs. As a general principle, no collateral is obtained for general trade debtors and other receivables.

University of KwaZulu-Natal

Consolidated Financial Statements for the year ended 31 December 2025

Notes to the consolidated financial statements

	2025 R '000	2024 R '000
--	----------------	----------------

The University provides for impairment losses in respect of student-related receivables (student loans and fee debtors) and other trade receivables to the extent that these can be reliably and conservatively determined, having regard to the credit risk experience and payment history of the particular categories of debtors.

The carrying values of financial assets recognised in the financial statements which is not part of impairment losses represent the maximum exposure to credit risk, without taking into account collateral or other enhancements held.

Financial instruments by category

The accounting policies for financial instruments have been applied to the line items below:

31 December 2025

Financial assets	Notes	Amortised cost R '000	FVPL R '000	Total R '000
Fair value through profit or loss - investments	4	-	3 467 349	3 467 349
Non-current receivables	5	91 081	-	91 081
Trade and other receivables	7	1 146 058	-	1 146 058
Cash and cash equivalents	8	568 841	-	568 841
Fixed deposits and money	9	8 200 098	-	8 200 098
	-	10 006 078	3 467 349	13 473 427

Financial liabilities	Notes	Financial liabilities at amortised cost
Borrowings	10	132 368
Leases	11	206 729
Trade payables	14	861 182
Student deposits	16	209 801
	-	1 410 080

31 December 2024

Financial assets	Notes	Amortised cost R '000	FVPL R '000	Total R '000
Fair value through profit or loss - investments	4	-	2 894 631	2 894 631
Non-current receivables	5	83 601	-	83 601
Trade and other receivables	7	621 843	-	621 843
Cash and cash equivalents	8	505 015	-	505 015
Fixed deposits and money	9	7 430 090	-	7 430 090
	-	8 640 549	2 894 631	11 535 180

Financial liabilities	Notes	Financial liabilities at amortised cost
Borrowings	10	169 956
Leases	11	346 390
Trade payables	14	754 793
Student deposits	16	339 330
	-	1 610 469

University of KwaZulu-Natal

Consolidated Financial Statements for the year ended 31 December 2025

Notes to the consolidated financial statements

		2025 R '000	2024 R '000
The carrying values of financial assets represent the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:			
	Notes		
Fair value through profit and loss			
Investments	4	3 467 349	2 894 631
Amortised cost			
Student fees receivables	7	280 658	145 654
Trade and other receivables	7	339 997	133 640
Interest receivable	7	508 893	336 986
Cash and cash equivalents	8	568 841	505 015
Fixed deposits and money market funds	9	8 200 098	7 430 090
Long-term fixed deposits		91 081	83 601
	-	13 456 917	11 529 617
Other trade receivables			
Counterparties without external credit rating:			
Group 3 Existing customers with some defaults in the past		103 867	201 742
Cash at bank and short term deposits			
The cash at bank and short-term bank deposits and long-term fixed deposit are held in institutions with a P1 and P3 ratings rating. (Moody's Rating)		568 841	505 015
Long term fixed deposit (note 5)			
The long-term fixed deposit is held in an institutions with Baa3 rating (Moody's Rating).		91 081	83 601
Investments (note 4)			
Beginning of year		2 894 631	2 606 213
Disposals		(399 604)	(1 608 705)
Additions		388 122	1 557 245
Net gains/(losses) transferred to profits or loss		463 405	221 386
Interest and dividends capitalised		120 795	118 492
		3 467 349	2 894 631
Total investments comprise of the following categories:			
Local			
Equities		1 406 140	1 378 498
Money market		170 809	258 891
Bonds		683 215	206 915
Property		3 747	1 029
Other		15 657	7 539
Unit trusts		352 960	829 975
International			
International market		834 821	211 784
		3 467 349	2 894 631

University of KwaZulu-Natal

Consolidated Financial Statements for the year ended 31 December 2025

Notes to the consolidated financial statements

	2025 R '000	2024 R '000
--	----------------	----------------

Financial assets and liabilities measured at fair value

The following table presents financial assets and liabilities measured at fair value in the statement of financial position in accordance with the fair value hierarchy. This hierarchy groups financial assets and liabilities into 3 levels based on the significance of inputs used in measuring of the fair value of the assets and liabilities. The fair value hierarchy has the following levels:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted price included within level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs). UKZN does not have any level 3 investments.

The level within which the financial asset or liability is classified is determined based on the lowest level of significant input to the fair value measurement. The financial assets and liabilities measured at fair value in the statement of financial position at 31 December 2025 are grouped into the fair value hierarchy as follows:

Fair value through profit and loss (note 5)

	Level 1 R '000	Total R '000	Total R '000
Equities	1 406 140	1 406 140	1 378 498
Money market	170 809	170 809	258 891
Bonds	683 215	683 215	206 915
Property	3 747	3 747	1 029
Other	15 657	15 657	7 539
International market	834 821	834 821	211 784
Unit trusts	352 960	352 960	829 975
	3 467 349	3 467 349	2 894 631

There were no impairment provisions on financial assets in 2025 or 2024 given the low risk. Investments and cash and cash equivalents are considered low risk as these assets are held at reputable financial institutions. A multi-manager approach is followed for the management of long term investments with specific mandates in order to limit risk. Cash and cash equivalents are held at reputable financial institutions with a low probability of default and therefore not considered impaired. Impairment of student fees receivable and trade and other receivables is discussed under the expected credit loss model below.

Financial liabilities

Interest-bearing borrowings	10	132 368	169 956
Lease liabilities	11	206 729	346 390
Accounts payable and accrued liabilities	14	861 182	754 793
		1 200 279	1 271 139

Credit risk

The carrying values of financial assets recognised in the financial statement which is not part of impairment losses represent the maximum exposure to credit risk, without taking into account collateral or other enhancements held.

The maximum exposure to credit risk for student loans and accounts receivable at the reporting date was:

Student fees receivable	7	280 658	145 654
Trade and other receivables	7	339 997	133 640
		620 655	279 294

University of KwaZulu-Natal

Consolidated Financial Statements for the year ended 31 December 2025

Notes to the consolidated financial statements

	2025 R '000	2024 R '000		
The ageing of receivables at the reporting date was as follows:				
Impairment losses				
Student loans				
	Gross 2025 R '000	Impairment 2025 R '000	Gross 2024 R'000	Impairment 2024 R '000
Loans administered by the University of KwaZulu-Natal - past due except as indicated.	524 641	524 641	524 912	524 912
Total of UKZN and NSFAS administered loans (note 5)	524 641	524 641	524 912	524 912
	Gross 2025 R '000	Impairment 2025 R '000	Gross 2024 R '000	Impairment 2024 R '000
Student debtors for fees past due	2 460 701	2 180 043	2 227 045	2 081 392
Total student debtors for fees past due (note 7)	2 460 701	2 180 043	2 227 045	2 081 392
	Gross 2025 R '000	Impairment 2025 R '000	Gross 2024 R'000	Impairment 2024 R '000
Trade and other receivables	413 841	73 846	352 288	218 648
Total trade and other receivables (note 7)	413 841	73 846	352 288	218 648

The movement in the allowances for impairment in respect of receivables during the year were as follows:

Student loans

UKZN and NSFAS administered loans

Balance at 1 January	524 912	525 604
Impairment losses(gains) recognised	(271)	(692)
	524 641	524 912

Student debtors for fees

Balance at 1 January	2 081 392	1 942 996
Impairment losses recognised	98 651	138 396
	2 180 043	2 081 392

Trade and other receivables

Balance at 1 January	218 648	175 480
Impairment losses recognised	(144 802)	43 168
	73 846	218 648

The expected credit loss model

The University applies the IFRS 9 simplified approach to measuring expected credit losses which use the lifetime expected loss allowance.

The University uses a provision matrix to measure the expected credit losses on trade receivables, student fees (funded and self-funded) and commercial debtors that have been grouped based on credit risk characteristics and the days past due. The University considers debtors in default when the contractual payment terms have not been complied with. These debtors will be considered when determining the default rate. The current student debtors default rate is 88%.

University of KwaZulu-Natal

Consolidated Financial Statements for the year ended 31 December 2025

Notes to the consolidated financial statements

	2025 R '000	2024 R '000
--	----------------	----------------

The expected loss rates are based on the historical payment profiles of the customers in respective categories. The historical loss rates are adjusted to reflect current and forward looking information on macroeconomic factors affecting the ability of the customers to settle the receivable. The current economic conditions will be considered when calculating the expected credit losses for student fees. For example, the likelihood of defaults would be expected to increase if the predicted economic conditions are expected to deteriorate over the next financial year.

Student debtors	Funded R '000	Self-funded R '000	Provision R '000
2025*	681 437	1 498 606	2 180 043
2024*	643 378	1 438 014	2 081 392

Commercial debtors	More than 90 days past due R '000	More than 60 days past due R '000	More than 30 days past due R '000	Current R '000	Provision R '000
2025*	78 679	7 319	17 870	15 820	73 846
2024*	266 440	1 510	19 379	16 340	218 648

*Based on IFRS 9

The recognition of impairment losses and gains in respect of financial instruments is based on an assessment of the past payment history for each of the respective categories of student loans, student debtors for fees, trade and other receivables.

Total interest earned in 2025 amounted to R0 million (2024: R 0 million). There are no write offs of students debts that were done in the current year year.

Students are required to settle all fees in full during the academic year they complete their studies. A student will be considered in default if their fees remain unpaid by the designated completion date. It is the University's policy that student debt is not written off, and comprehensive efforts will be made to recover all amounts owed to the institution.

Liquidity risk

The University manages its liquidity risk by monitoring its daily cash flow to ensure that surpluses are optimally invested and that adequate cash is available to meet its day-to-day operations in the short- and medium-terms, based on rolling cash flow projections. The University adopts a diversified investment strategy with specified major financial institutions, each of which is required to be accredited by the Finance Committee, and has no significant concentration of credit risk with any single counter-party.

The timing and cyclical nature of the University's cash inflows and outflows are such that liquidity problems are unlikely to arise. Furthermore, the University has access to funds through its short-term deposits and overdraft facilities in the event that any unforeseen event occurs.

The maturity profile of contractual cash flows of financial liabilities is presented in the following table. The cash flows are undiscounted contractual amounts.

31 December 2025	Contractual cash flows	Within 12 months R'000	1 to 2 years R'000	2 to 5 years R'000	More than 5 years R'000	Carrying value R'000
Interest-bearing borrowings	176 245	39 491	41 561	51 316	-	132 368
Lease liabilities	222 611	161 539	45 190	-	-	206 729
Accounts payable and accrued liabilities	861 182	861 182	-	-	-	861 182
Student deposits	209 801	209 801	-	-	-	209 801
	1 469 839	1 272 013	86 751	51 316	-	1 410 080
31 December 2024	Contractual cash flows	Within 12 months R'000	1 to 2 years R'000	2 to 5 years R'000	More than 5 years R'000	Carrying value R'000
Interest-bearing borrowings	219 210	37 588	39 491	41 561	51 316	206 305
Lease liabilities	392 227	141 383	159 817	45 191	-	249 304
Accounts payable and accrued liabilities	754 793	754 793	-	-	-	636 080
Student deposits	339 330	339 330	-	-	-	279 437
	1 705 560	1 273 094	199 308	86 752	51 316	1 371 126

University of KwaZulu-Natal

Consolidated Financial Statements for the year ended 31 December 2025

Notes to the consolidated financial statements

	2025 R '000	2024 R '000
--	----------------	----------------

Fair value sensitivity analysis for fixed instruments

The University does not account for any fixed rate financial assets and liabilities at fair value through the income statement. Therefore, a change in the interest rates at the reporting date would not affect the reported net surplus. The University holds no financial assets classified as fair value through profit and loss that are exposed to interest rate risk.

Investment risk

The University is exposed to risk on its investment portfolios. This risk is managed by selected, reputable portfolio managers who operate under defined mandates, which are designed to both limit the risk and also optimise the University's returns on these investments, having regard to the nature and purpose of the underlying funds. The performance of the respective fund managers are monitored closely by the Finance Committee and, in the case of the University Foundation and other subsidiaries, by the respective Boards of Trustees or Directors, as the case may be.

Fair values of financial instruments

The carrying values of all financial instruments approximate their fair values.

Fair value estimation

The University adopted the amendments to the IFRS 7 Financial Instruments: Disclosures for financial instruments that are measured in the statement of financial position at fair value requiring disclosure of fair value measurements by level of the following fair value measurement hierarchy:

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

Level 1 financial instruments

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

The quoted market price used for the fair value through profit or loss financial asset held by the University is the current bid price. These instrument are included in Level 1. The composition of the instrument has been detailed in note 4.

29. Related party transactions

Due to the nature of the University's operations and the diverse composition of its stakeholders, the Council has adopted a policy requiring declarations of any interests – actual or potential – by members of Council and of its committees. During the year under review and subsequently, no material transactions were identified with third parties controlled by one or more members of the Council. All payments to members of executive and senior management are disclosed in note 24. There were no material contracts entered into with Executive management during the year under review.

As a public higher education institution, the University has a related party relationship with the National Government of South Africa. The National Government, primarily through the Department of Higher Education and Training, provides substantial grants to the University to support its operations, research, and teaching activities. These grants are further detailed in Note 17.

30. Taxation

The University of KwaZulu-Natal is exempt from South African normal taxation in terms of Section 10(1)(cN) of the Income Tax Act and therefore no provision has been made for taxation. Value Added Tax (VAT) is claimed on an apportionment basis.

University of KwaZulu-Natal

Consolidated Financial Statements for the year ended 31 December 2025

Notes to the consolidated financial statements

	2025 R '000	2024 R '000
--	----------------	----------------

31. Affiliated units

The consolidated financial statements incorporate the assets, liabilities and trading operations of the following University-controlled entities:

- UKZN Innovation (Proprietary) Limited (InQubate) - (Dormant and currently in the process of being wound up)
- J W Nelson Endowment Fund Trust
- Student Services Development Company (Proprietary) Limited
- The University of Natal Education and Innovation Foundation ("UNEIF") - (Dormant and currently in the process of being wound up)
- University of KwaZulu-Natal Foundation Trust ("UKZN Foundation")
- UKZN Extended Learning (Proprietary) Limited - (Currently in the process of being wound up)
- The KZN centre for Radio Astronomy, Economic Advancement, Technology and Entrepreneurship (KREATE)
- University of KwaZulu-Natal Benefit Arrangement

No transactions except for loans, leases of premises, the raising and recovery of direct operating expenses and the recovery of indirect overheads, where applicable, have taken place between the University of KwaZulu-Natal and its subsidiaries. For the purposes of preparing the University's annual financial statements, all intra-group transactions were eliminated on consolidation.

32. Going concern

The revised financial projections of the University for the unrestricted funds and the student residences funds show a combined positive net result of R97,6 million for the year ending 31 December 2026. However, the minimal reserves (less than the university's annual recurrent income) pose a risk to the University's continued financial sustainability.

This requires the University to continue implementation of the range of interventions that are envisaged in Project Renewal as these interventions seek to ensure that the University strengthens its financial position in the future.

After reviewing the financial projections, and the University's liquidity resources, Council has concluded that it is appropriate to prepare the financial statements on the assumption that the University is a going concern and has the ability to continue its operations into the foreseeable future.



UNIVERSITY OF
KWAZULU-NATALTM
INYUVESI
YAKWAZULU-NATALI

INSPIRING GREATNESS