

**SOUTH
AFRICAN
INSTITUTE
OF
RACE
RELATIONS**

**56TH
ANNUAL
REPORT**

**1 APRIL 1985
TO
31 MARCH 1986**

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SOUTH AFRICAN INSTITUTE OF RACE RELATIONS (INC)

SUID-AFRIKAANSE INSTITUUT VIR RASSEVERHOUDINGS (INGELYF)

56TH ANNUAL REPORT
1ST APRIL 1985 TO 31ST MARCH 1986

PUBLISHED BY THE SOUTH AFRICAN INSTITUTE OF RACE RELATIONS,
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SOUTH AFRICAN INSTITUTE OF RACE RELATIONS
COUNCIL AS AT 31st MARCH 1986

- President : Dr S J Saunders
- Vice-Presidents : Reverend Dr T S N Gqubule,
Mrs E Kuzwayo, Professor L Schlemmer,
Mr E M Wentzel SC
- Honorary Life Members : Dr E P Bradlow, Mr R de Villiers,
Professor C J R Dugard, Mr D C Grice,
Dr M Horrell, Most Reverend Denis
Hurley OMI, Reverend Dr H P Junod,
Dr P R B Lewis, Sir Richard Luyt,
Mr H F Oppenheimer, Most Reverend
Philip Russell, Professor S J van
der Horst, Dr O Wollheim
- Honorary Treasurer : Mr T A Wixley
- Honorary Legal Adviser : Mr R J Tucker
- Chairmen of Regional Committees : Professor G Ellis (Cape Western)
Mr H Winearls (Border)
Mr D C Grice (Natal Coastal)
Mr P McKenzie (Natal Inland)
- South African Representatives : Mr D Adler, Mrs E M Ardington, Dr F E
Auerbach, Dr S Bhana, Mr H J Bhengu, Dr
A B A Brink, Mr G Budlender, Professor
C M Charton, Mr N Daniels, Professor
T R H Davenport, Professor C O Gardner,
Mr R Godsell, Mrs S Gordon, Mr D Horner,
Professor G G Maasdorp, Mr G B D McIntosh
MP, Mr R J Mokotjo, Reverend Canon B J L
Moloi, Professor J Natrass, Right
Reverend Simeon Nkoane, Mr M Rantho, Dr
F C Robb, Mrs N C Robb, Mr E A Saloojee,
Professor M T D Savage, Mr J L Stead,
Professor H W van der Merwe, Mr J H
Watson, Professor M West
- Representatives of Affiliated
Organisations : Councillor Mrs M H Ambler, Mr D Brown,
Mrs S Duncan, Mr E Khanyile, Reverend
A Massey, Mr J S Mokoka, Mrs M
Mpakanyane, Mr O Norgaard, Professor
G D L Schreiner, Professor L J Suzman
- African Territories : Reverend A R Jennings, Mr C Lazarus
- Overseas Representatives : Professor H Adam (Canada), Dr A I
Berglund (Sweden), The Very Reverend G A
ffrench-Beytagh (UK), Dr A M Keppel-Jones
(Canada), Professor L Kuper (USA)
- Director : Mr J S Kane-Berman

EXECUTIVE COMMITTEE AS AT 31st MARCH 1986

President	: Dr S J Saunders
Vice-Presidents	: Reverend Dr T S N Gqubule, Mrs E Kuzwayo, Professor L Schlemmer, Mr E M Wentzel SC
Chairman	: Mr E M Wentzel SC
Regional Chairmen	: Professor G Ellis (Cape Western) Mr H Winearls (Border) Mr D C Grice (Natal Coastal) Mr P McKenzie (Natal Inland) Professor T R H Davenport (Grahamstown branch)
Elected Members	: Mr D Adler, Dr F E Auerbach, Mr G Budlender, Mr D Gevisser, Mr R T Hofmeyr, Mrs H Jaff, Reverend Canon B J L Moloi, Professor L J Suzman
Co-opted Member	: Mr H L Bernstein
Representatives of Affiliated Organisations	: Mrs M Mpakanyane, Mr O Norgaard
Honorary Treasurer	: Mr T A Wixley
Honorary Legal Adviser	: Mr R J Tucker
Director	: Mr J S Kane-Berman

FINANCE COMMITTEE AS AT 31st MARCH 1986

Chairman	: Mr T A Wixley (Honorary Treasurer)
	Mr D Adler Mr H L Bernstein Mr R T Hofmeyr Ms S Niven Mr P B Oertel Mr H R Slack Professor L J Suzman Mr B Trisk Mr A Wentzel
	Mr J S Kane-Berman (Director)

STAFF AS AT 25th JULY 1986

Director	: Mr John Kane-Berman
Assistant Director	: Mrs Sylvia Gon
Accounts Department	: Mr Aubrey Lloyd (Financial Manager) Mrs Albine Seitz
Bursary Department	: Mr Dennis Venter (Manager) Mrs Daphne Koza (Deputy Manager) Miss Rachel Cham Miss Margaret Khuzwayo Mr Clement Satsha Miss Linda Vilakazi
Hofmeyr Library	: Mr John Morrison (Librarian) Mr Abdul Bemath (Assistant Librarian) Miss Mildred Francis Mrs Eunice Halo Mrs Clara Masoga Miss Prisca Nkungu
Membership Department	: Mrs Jenneke Schuurmans-Stekhoven (Manager) Mrs Sheila Whiteman (Deputy Manager) Mrs Winnie Makhalemele Mrs Allegra Rose Miss Martha Zengetwa
Printing Department	: Mrs Edna Nhlapo (Manager)
Publications Department	: Mrs Beatrice Ndlovu (Manager) Mr Horace Meek (Deputy Manager)
Research Department	: Miss Carole Cooper (Associate Director - Research) Miss Jennifer Shindler (Manager) Miss Colleen McCaul (Deputy Manager) Mr Pierre Brouard Mrs Connie Matthews Mr Monty Narsoo Miss Frances Potter Miss Sarah Zwane
Administration	: Mrs Rhodiah Abrahams (Administrative Secretary) Mr de Vos Makgwe Mr Oscar Mchunu Mrs Sarah Mohale Miss Sinah More
Auden House	: Mr John Morrison (Building Manager) Mr John Masindane Mr Obed Zuma
Director's Office	: Mrs Doris Wallace (Director's Secretary) Mrs Susanne Eusman (Director's Deputy Secretary) Miss Sharmayne Moodley
Special Research Fellow	: Mr Steven Friedman
Visiting Researcher	: Mrs Vanessa Gaydon
Editor, Race Relations News	: Mr Theo Coggin
Regional Representative	: Mrs Bridget Scoble (Cape Western)

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REPORT OF THE DIRECTOR FOR THE YEAR ENDED 31st MARCH 1986

After three difficult years it is pleasing to report that the Institute has turned its accumulated deficit into a small surplus. Whereas the deficit at 31st March 1983 was R89 059, we showed a surplus of R20 578 at 31st March 1986. It is particularly encouraging that the Institute has been able to achieve this at a time when racial tension in South Africa was increasing.

Income and expenditure during the year ended 31st March 1986 both increased by 26%. The outstanding feature of our financial performance was the increase in membership income of 57%, so vindicating a decision taken by the Council of the Institute at the beginning of 1984 following a strategic planning review to broaden Institute membership and build financial stability upon subscription fees. The Institute's established individual membership responded generously to a substantial increase in fees while a vigorous enrolment campaign in the private sector and among non-profit-making organisations yielded very encouraging results.

An expanded range of publications was made available to members, among them the 1984 Race Relations Survey, which, at about a thousand pages, was the largest ever produced. A variety of speakers gave lectures or addressed briefings for members on a wide variety of topical subjects, while the grand old man of South African liberalism, Dr Alan Paton, delivered the Alfred and Winifred Hoernle Memorial Lecture on "Federation or Desolation" on 23rd May. Another notable feature of the year under review was the continued growth of the Institute's black bursary programme, two major new bursary contracts being signed.

Most of our research, briefing, and bursary activity was concentrated at head office in Johannesburg, but our Cape Western region also had an active year in all three fields.

As I reported last year, nearly all the Institute's specially-funded projects have either come to an end or constituted themselves as separate organisations responsible for their own finances and administration. Separation has been beneficial to both the Institute and the organisations concerned, Operation Hunger, the Open School, Using Spoken and Written English (USWE), and the Education Support Programme.

As a result both of its better financial position and these separations, the Institute has become a leaner, trimmer, and more closely focused organisation. Our two major activities now are our research and bursary work, supplemented by our series of briefings for members and the Director's busy programme of speeches to a variety of audiences. Having progressed a long way in its plans to consolidate and revitalise itself, the Institute is now much better placed both to expand its research work and embark on a programme of policy research more explicitly aimed than in the past at the active promotion of change.

In addition to its work on both the 1984 and the 1985 Race Relations Survey, the research department kept a record of deaths in the political violence that afflicted the country during the year under review. It also produced a synopsis of the Human Sciences Research Council's report on intergroup relations and a report on the state-of-play regarding African political rights. In addition, the Institute published What is Apartheid?, an analysis of the key provisions of the main apartheid laws. In terms of an agreement with the Urban Foundation, the Institute undertook a year-long research project aimed at gaining greater insight into the process of political change. A survey of the black political scene, Black Politics at the Crossroads, was published as part of this project.

Speakers at Institute briefings were drawn from a wide diversity of interests and viewpoints. They included the general secretary of the National Union of Mineworkers, the chairman of the industry support unit to the Sullivan statement of principles, and the former secretary to the special cabinet committee dealing with the constitutional development of Africans. Forums were held to discuss South Africa's health needs, urbanisation, possibilities for an alternative education system, and liberalism. The forum on liberalism was preceded by Dr Stuart Saunders's 1986 presidential address on 20th March on "South Africa: reform, reconstruction, and the middle ground."

The bursary department at head office awarded 575 bursaries for the 1985 academic year, 313 of them for university study, 40 for study at technikons and teacher training colleges, and 222 for secondary schools. Nearly 6 000 applications were received at the end of 1985 for bursaries for the 1986 academic year, during which the department expected to make awards worth more than R2m. By the end of the financial year 477 bursaries had been awarded for 1986. These included the first American bursaries, initiated following signature by the Institute of a contract with the US government in terms of which it would administer a bursary programme worth \$915 000 over a six-year period beginning in January 1986. A second bursary contract with World University Service of Canada was signed; in terms thereof the Canadian government will sponsor an additional 40 bursaries from January 1986, the amount involved being Cdn\$790 509. I am particularly pleased to report that the Albert Luthuli Memorial Foundation Trust asked the Institute to administer a black bursary programme on its behalf from the beginning of 1986, and we naturally agreed to do this and so help honour the memory of a great son of South Africa.

The administration of the bursary programme continued to draw favourable comment from evaluators commissioned by some of the major bursary donors. A list of all the donors appears in the financial statements.

The Cape Western region had a busy year. Ten regional topic papers were produced on subjects including transport boycotts, statutory developments in local government, racial discrimination in newspaper advertisements for jobs, the president's council's report on urbanisation, and the effects of the political crisis on coloured education. People of differing viewpoints gathered at regional committee meetings to discuss some of the difficult issues confronting the western Cape, while the regional committee also made

representations to the authorities regarding police action in the area. The Archbishop Emeritus of Cape Town, Owen Cardinal McCann, addressed the region's annual general meeting on 1st August. Among the other public meetings held was one addressed by Bishop Desmond Tutu and one at which Dr Robin Hallett proposed that a regional convention to plan a non-racial society should be held in the Cape. The region continued to run its African arts centre, which is manned largely by volunteers and which provides a market outlet for craftwork from both rural and urban communities. The region also continued to run an advice office in conjunction with the Black Sash. The Cape Western bursary department awarded 383 bursaries during the year. The department, which now administers 15 bursary funds, had a total of R464 508 available for bursary allocation in 1986, compared with R249 000 the previous year. It had made 333 awards for 1986 by 31st March 1986.

III

During the year under review the Institute monitored political violence in South Africa and from time to time issued press statements giving fatality statistics. A statement issued in April 1986 noted that the death toll between September 1984 and 31st March 1986 was 1 416. It pointed out that the figure of 171 for March was the highest monthly figure recorded since September 1984, when the wave of violence began.

A statement in April 1985 said that the use of young white conscripts to help maintain civil order in black areas led to greater racial polarisation and cast the army in a political role. The statement called for a new approach to policing in the townships and added that the authorities needed to make it clear that deviant behaviour in the course of police duty would never be tolerated. In a statement issued in July the Institute pointed to apartheid as the underlying cause of the disturbances in the townships and suggested that a body such as the bar council be requested to investigate alarming allegations of unlawful police action. It also called for the unequivocal condemnation of political assassinations.

Among the other statements issued during the year under review was one criticising the banning of two black leaders in Port Elizabeth and pointing out that these bannings were a "flagrant contradiction of the government's professed commitment to negotiate with representative black leaders who do not support violence."

In speeches to various audiences the Director called, inter alia, for a repeal of the Group Areas Act, the desegregation of education, the lifting of the bans on black political organisations, and the release of political prisoners. He also repeatedly stressed the need for a national conference at which representatives of the full range of political opinion in South Africa could work out a constitution acceptable to the majority of the people. Many of these speeches were reported in Race Relations News so that members of the Institute would be aware of what position the Director was taking on these issues.

On the instruction of the Executive following a discussion at the Council annual general meeting in September, the Institute issued a statement on the question of conscription and race relations. Inter alia, the statement said that unrest in the townships, springing from deprivation of rights, could not be permanently quelled by force, nor morally should it be. The statement added that the root cause of township unrest, namely the apartheid policy, had to be tackled. It also said that a redefinition of the use to which the defence force was to be put had to be "part and parcel of any reform package." The defence force should be used "only where it can be seen to be acting in the interests of all rather than for some sections of the community against the others." The statement was published in full in the March/April issue of Race Relations News.

At its meeting on 22nd March Council authorised the Director to accept an invitation to become Deputy Chairman of the KwaZulu/Natal Indaba, which was to be launched in Durban on 3rd April. In a press statement issued on the day the Indaba opened, the Institute said it stood ready to assist any process of negotiation that had the potential to contribute to the dismantling of apartheid at any level of government. The Institute's readiness to assist such negotiations was subject to the proviso that they were open to all interested political groupings and other parties, irrespective of the differences between them. The statement expressed regret that a variety of black and white political organisations had not seen their way clear to becoming involved in the Indaba. It added that Council's decision that the Director should accept the deputy chairmanship was a logical application of the Institute's main aim of promoting racial reconciliation but did not imply that the Institute necessarily supported the viewpoint of any of the parties to the Indaba.

The Institute put its views on issues affecting race relations directly to the government on a number of occasions. These included a meeting in September 1985 with a delegation from the Geldenhuys committee, which was appointed to investigate various matters affecting the defence force. In addition, the Director and the Special Research Fellow gave evidence in February 1986 to the special cabinet committee on constitutional development affecting Africans, at the committee's request.

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During the 1985/86 financial year the number of individual members enrolled on the new system doubled, to reach a figure of just over 2 000. Organisational membership (corporate, company, and institutional membership) increased from 57 to 170, while 32 other organisations enrolled as subscribers to the full range of the Institute's publications.

The annual general meeting of members was held on 20th September. A special resolution reducing the quorum at ordinary meetings of the Executive Committee from ten to five was passed.

The annual general meeting of Council was held on 21st September. Dr Stuart Saunders, vice chancellor and principal of the University of Cape Town, was elected President of the Institute in succession to Professor

Lawrence Schlemmer when the latter's term of office expired. Professor Schlemmer, Mrs Ellen Kuzwayo, the Reverend Dr Simon Gqubule, and Mr Ernie Wentzel were elected vice presidents. Council also elected a new Executive Committee, which then re-elected Mr Wentzel as its chairman and elected Mr David Gevisser as vice chairman. Mr Tom Wixley was elected by postal ballot to succeed Mr Harold Bernstein as Honorary Treasurer on the latter's retirement from this position at the beginning of March 1986.

Our gratitude is due to Mr Bernstein for his contribution to the Institute during several arduous years. Thanks are due also to our Honorary Legal Adviser, Mr Raymond Tucker, for his continuing work on the Institute's behalf, and to Professor Schlemmer for his distinguished contribution as our President during two years when the Institute was struggling for survival. I would also like to thank other members of Council and of the executive, finance, regional, and branch committees for their continuing support. In addition, the Institute is indebted to all those who supported it financially, whether with small or large amounts. Without the increased support of the Institute's membership the organisation would not have survived.

The Deputy Director, Mr Mark Orkin, resigned on 30th April but remained on until the end of the year as a special consultant with particular responsibility handling negotiations regarding bursary contracts. Our thanks are due to him for his contribution to the Institute, particularly in its bursary programme.

I regret very much to have to report that Mr Brian Bishop, a former chairman of our Cape Western regional committee, was killed in a motor accident in December 1985.

V

Without the support services at head office, the Institute would barely be able to function. In addition to maintaining its extensive documentation and press clipping service for the research department, the library initiated a special press clipping service on a subscription basis for members. Numerous donations of books were received during the year, and those not suitable for the library were passed on to school libraries in Soweto and the Transkei or to the University of Bophuthatswana. Equally important to the Institute is its accounts department, which continued its programme of streamlining and rationalisation, made easier by the decisions by specially-funded projects to go off on their own. Plans for a more sophisticated data processing system were put in hand in the department, which is responsible for the administration of all the Institute's main operating accounts as well as for 27 bursary accounts.

New systems to cut down costs and streamline the operation of our bookshop and publications outlet and shift our publications distribution service from casual counter sales to a mail-order system tailor-made for the Institute's membership were also put in hand. In addition, as funds became available, we continued improving facilities and working conditions at Auden House. These included the expansion of our word-processing capacity in various departments.

I would like to record a personal word of thanks to all our staff for their dedication and solid hard work. In particular I would like to single out Mr Abner Mtshizana, universally known as Mr M, who in April 1985 completed 20 years of service to the Institute as the anchor man of our regional office in Cape Town; Mrs Connie Matthews, secretary to our research department, who has completed 16 years of service with the Institute, during most of which time she typed the Survey virtually single-handed; Mr John Masindane, who has looked after Auden House for 13 years; Mrs Edna Nhlapo, who has run the printing department for 13 years; and Mrs Winnie Makhalemele, who has also been with the Institute for 13 years and is now in charge of the individual membership section of the membership department. Our longest-serving staff member, however, is Mr de Vos Makgwe, who has been with the Institute for 25 years and runs the dispatch office. To all of them, our gratitude.

J S Kane-Berman
Director

3rd September 1986

REPORT OF THE HONORARY TREASURER ON THE FINANCIAL
STATEMENTS FOR THE YEAR ENDED MARCH 31 1986

I would like to start by paying tribute to my predecessor, Mr H L Bernstein, who acted as Honorary Treasurer of the Institute for three years. His guidance and wisdom has helped the Institute to weather a period of some financial difficulty.

I am pleased to report that the Institute's financial statements show a surplus for the third year in succession. As a result, our accumulated funds are no longer in deficit. In summary the income statement shows:

	1986	1985
Surplus of income over expenditure	42 308	35 094
Accumulated funds of Natal branches excluded	(11 546)	-
Transfer of regional special funds	-	13 046
	30 762	48 140
Non-recurring trust and donation	-	81 425
	R30 762	R129 565

The balance sheet shows an increase to over R1 470 000 in the amount of special funds under administration. These are mainly bursary funds.

In the income statement, substantial increases in both income and expenditure reflect the Institute's active role during the year. On the income side, membership subscriptions and administration fees received have each increased by over R100 000 to R299 000 and R337 000 respectively. Interest received has also increased by R38 000 to R118 000. Under expenses, publications has shown the largest increase to R146 000 from R35 000. Research expenditure has also increased, while salaries have risen by less than the rate of inflation.

After an extremely busy year the Institute's finances are in a satisfactory condition. This is largely due to the strict control exercised by the Director over expenditure and the efforts of the membership department. The Financial Manager, Mr Aubrey Lloyd, has improved the accounting records considerably. As a result these financial statements have been completed earlier than usual and the audit fee has been reduced.

My thanks are due to the Director and his staff and to my committee for their support.

T A Wixley
Honorary Treasurer
Chairman, Finance Committee

3rd September 1986

THE SOUTH AFRICAN INSTITUTE OF RACE RELATIONS
(INCORPORATED ASSOCIATION NOT FOR GAIN)
FINANCIAL STATEMENTS
31 MARCH 1986

REGISTRATION NO. 05/10068/08

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The annual financial statements which appear on pages 21 to 37 were approved by the Directors on 27 June 1986 and are signed on their behalf by:

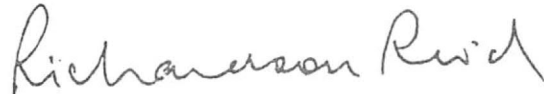
DIRECTOR:

DIRECTOR:

REPORT OF THE AUDITORS TO THE MEMBERS OF
THE SOUTH AFRICAN INSTITUTE OF RACE RELATIONS
(INCORPORATED ASSOCIATION NOT FOR GAIN)

We have examined the Financial Statements set out on pages 2 to 15. The Financial Statements of the Regions have not been audited by us. We have relied on the reports of auditors of these branches not audited by us.

In our opinion, these statements fairly present the position of the South African Institute of Race Relations at 31 March 1986 and the results of its operations for the year then ended in the manner required by the Companies Act 1973, as amended.



RICHARDSON, REID & PARTNERS
Chartered Accountants (S A)
Auditors

JOHANNESBURG
27 June 1986

THE SOUTH AFRICAN INSTITUTE OF RACE RELATIONS
(INCORPORATED ASSOCIATION NOT FOR GAIN)

REPORT OF THE DIRECTORS

The Directors have approved the attached Financial Statements and submit their Report for the year ended 31 March 1986.

REVIEW OF THE COMPANY'S BUSINESS AND OPERATIONS

The main business of the Company, to which the Profit is attributable, is that of an Educational Welfare Organisation. The Financial Statements adequately disclose the results of the operations of the Company and the state of the Company's affairs.

DIRECTORS AND SECRETARY

The following acted as Directors

F E Auerbach
J S Kane-Berman

The company does not have a Secretary

SUBSIDIARY COMPANY

The name of the Subsidiary is :

	<u>1986</u>	<u>1985</u>
De Korte Street Properties (Pty) Limited		
Specified details are		
Issued Share Capital	6	6
Company's Holding	100%	100%
Book Value of Company's Holding	6	6
Amount Owing to Holding Company	R 12 955	R 29 587

This company acquired property in 1954 at a cost of R 20 500 and erected buildings in 1956 at a cost of R 65 198. This property is occupied by the Institute, which pays all the expenses of the company in lieu of rent. The property belonging to the subsidiary is mortgaged to provide security for bank overdraft facilities. The total overdraft at 31 March 1986 amounted to R 113 212 (1985 R 96 292) and the money so raised has been utilised by the Institute. The Subsidiary Company has signed as co-principal debtor and as Surety for lease agreements of the Institute. The Directors are of the opinion that Group Annual Financial Statements would be of no real value to the members of the Company and would entail expenses out of proportion to the value to the members of the Company and these are therefore not presented.

THE SOUTH AFRICAN INSTITUTE OF RACE RELATIONS

(INCORPORATED ASSOCIATION NOT FOR GAIN)

BALANCE SHEET AT 31 MARCH 1986

	<u>Notes</u>	<u>1986</u>	<u>1985</u>
<u>CAPITAL EMPLOYED</u>			
NON-DISTRIBUTABLE RESERVE	2	142 869	142 869
ACCUMULATED FUNDS (1985 DEFICIT)		20 578	(10 184)
		<u>163 447</u>	<u>132 685</u>
SPECIAL FUNDS	3 & 7	1 373 343	1 077 566
LONG TERM LIABILITIES	4	14 988	15 177
		<u>R 1 551 778</u>	<u>R 1 225 428</u>
 <u>EMPLOYMENT OF CAPITAL</u>			
FIXED ASSETS	5	30 928	30 928
INVESTMENTS	6	1 444 876	1 232 972
Special Funds		1 373 343	1 077 566
Other		71 533	155 406
CURRENT ASSETS		209 905	159 809
Stock	8	2	2
Accounts Receivable		209 903	111 352
Cash Resources		-	48 455
TOTAL ASSETS		1 685 709	1 423 709
CURRENT LIABILITIES		133 931	198 281
Accounts Payable		85 763	198 281
Bank Overdraft		48 168	-
		<u>R 1 551 778</u>	<u>R 1 225 428</u>

THE SOUTH AFRICAN INSTITUTE OF RACE RELATIONS
(INCORPORATED ASSOCIATION NOT FOR GAIN)

INCOME STATEMENT FOR THE YEAR ENDED 31 MARCH 1986

	<u>Notes</u>	<u>1986</u>	<u>1985</u>
INCOME			
Membership subscriptions and affiliation fees		298 685	189 775
Administration fees received		337 330	232 119
Interest		118 164	79 868
Dividends		7 592	2 378
Grants, donations and fund raising		477 515	476 639
Rental received		5 885	8 338
Profit on sale of assets		1 250	500
		1 246 421	989 617
EXPENDITURE		1 204 113	954 523
Auditors remuneration		7 000	16 525
Fees for the audit	9	4 750	-
Underprovision prior year		42 900	26 719
Furniture and equipment written off	1.3	21 750	25 206
Interest		66 421	57 071
Library expenditure		13 883	15 258
Lease expenditure		146 246	35 471
Publication expenditure		140 512	96 298
Research expenditure		760 651	681 975
Salaries and Administration expenses			
EXCESS INCOME OVER EXPENDITURE		42 308	35 094
TRANSFER OF REGIONAL SPECIAL FUNDS			
- NATAL BRANCHES	1.5	(11 546)	13 046
		30 762	48 140
ACCUMULATED DEFICIT AT BEGINNING OF YEAR		(10 184)	(58 324)
ACCUMULATED BALANCE AT END OF YEAR		R 20 578	R (10 184)

THE SOUTH AFRICAN INSTITUTE OF RACE RELATIONS
(INCORPORATED ASSOCIATION NOT FOR GAIN)
SOURCE AND APPLICATION OF FUNDS STATEMENT
FOR THE YEAR ENDED 31 MARCH 1986

SOURCE OF FUNDS

Net Income for the Year	30 762
Decrease in investments	<u>83 873</u>
	R 114 635

APPLICATION OF FUNDS

Increase in Net Working Capital	114 446
Decrease in Long Term Liabilities	<u>189</u>
	R 114 635

THE SOUTH AFRICAN INSTITUTE OF RACE RELATIONS
(INCORPORATED ASSOCIATION NOT FOR GAIN)
NOTES TO THE FINANCIAL STATEMENTS AT 31 MARCH 1986

1. ACCOUNTING POLICIES

1.1 Donations

Donations are brought to account on a cash received basis.

1.2 Special Funds

Funds specifically designated by donors may, at the discretion of the recipient activity, be retained and invested by the Institute pending disbursement.

Net income, after payment of administration and allocation of interest to the Institute, accruing to designated funds is appropriated to the fund concerned.

Bursary Funds and Specially Funded Projects

The Funds and Projects administered by the Institute are disclosed in these Financial Statements by way of note.

1.3 Fixed Assets

Land and Buildings are not depreciated. Other Fixed Assets are written off when purchased and are shown at nominal value.

1.4 Stock

Stock is valued at nominal value.

1.5 Branch Accounting

The Branch operating results and their assets and liabilities are incorporated in the Financial Statements. However as the records of the Natal Branches were destroyed by fire and have not yet been reconstructed, the results of these branches are not incorporated. The figures are not material.

2. NON-DISTRIBUTABLE RESERVE

1986

1985

Specific bequests and extraordinary donations of a non recurring nature:

Balance previous year	142 869	61 444
Add: Amounts received:	-	81 425
	R 142 869	R 142 869

3. SPECIAL FUNDS

These include Bursary Funds and Specially Funded Projects

INCOME	2 482 286	2 248 600
Donations and Grants	2 321 361	1 973 876
Interest	130 175	193 345
Dividends	30 750	36 411
Fund Raising	-	39 901
Membership Fees	-	5 067
Carried forward	2 482 286	2 248 600

THE SOUTH AFRICAN INSTITUTE OF RACE RELATIONS

(INCORPORATED ASSOCIATION NOT FOR GAIN)

NOTES TO THE FINANCIAL STATEMENTS AT 31 MARCH 1986 (Continued)

3. <u>SPECIAL FUNDS</u> Continued	<u>1986</u>	<u>1985</u>
Brought forward	2 482 286	2 248 600
EXPENDITURE	2 200 246	2 265 659
Administration Expenses	54 626	427 791
Administration Fees Paid	226 950	188 098
Audit Fees	10 000	13 250
Bursaries and Grants	1 908 670	1 629 830
Furniture and Equipment	-	6 084
Interest Paid	-	606
INCOME (1985 Deficit) FOR THE YEAR	282 040	(17 059)
BALANCE OF FUNDS AT BEGINNING OF YEAR	1 024 859	1 467 799
	1 306 899	1 450 740
LESS: FUNDS NO LONGER ADMINISTERED BY THE INSTITUTE	54 378	425 881
FUNDS AT END OF YEAR	1 252 521	1 024 859
DEFICIT BALANCES TRANSFERRED TO DEBTORS	120 822	52 707
	<u>R 1 373 343</u>	<u>R 1 077 566</u>

A list of the balances of the Special Funds administered by the Institute appears in Note 7.

4. LONG TERM LIABILITIES

Secured

Secured by a first mortgage bond over land and buildings in Cape Town, with a book value of R 30 929. The rate of interest is 17.75% per annum and the repayment is R 284 per month.

R 14 988

R 15 177

THE SOUTH AFRICAN INSTITUTE OF RACE RELATIONS
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NOTES TO THE FINANCIAL STATEMENTS AT 31 MARCH 1986 (Continued)

5. FIXED ASSETS

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>1986 Book Value</u>	<u>1985 Book Value</u>
Land and Buildings	30 922	-	30 922	30 922
Furniture & Equipment	171 192	171 188	4	4
	R 202 114	R 171 188		
 Library - At Nominal Value			2	2
			R 30 928	R 30 928

Details of Land and Buildings

The property, Erf 28701, is situated at No 5 Long Street, Mowbray, Cape Town

Purchased January 1975	27 723	27 723
Improvements during that year	3 199	3 199
	R 30 922	R 30 922

6. INVESTMENTS

6.1 SPECIAL FUNDS

6.1.1 Bursary Funds

<u>Participation Mortgage Bonds</u>	116 500	116 500
Auerbach Trust	1 500	1 500
Boxer Trust	5 000	5 000
Dorothy Glauber Bursary Fund	55 000	55 000
Ellen Hellmann Fund	8 000	8 000
B and E Koch Bursary Fund	6 000	6 000
Mampu School Bursary Fund	1 000	1 000
Patel Trust	10 000	10 000
Reginald H Smith Bursary Fund	10 000	10 000
G M Robertson Bursary	10 000	10 000
Robert Shapiro Trust	10 000	10 000
 <u>Fixed Deposits</u>	600	1 400
Emily Hobhouse Bursary Fund	600	600
Gert & Irmgard Brusseau Trust	-	800
 Carried forward	117 100	117 900

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NOTES TO THE FINANCIAL STATEMENTS AT 31 MARCH 1986 (Continued)

6.1.1 <u>Bursary Funds (Continued)</u>	<u>1986</u>	<u>1985</u>
Brought forward	117 100	117 990
<u>Listed investments</u> (Market value R 166 039 1985 - R 274 952)	11 392	11 519
Isaacson Foundation Bursary	1 200	1 200
500 De Beers Con. Prefs	500	500
7 000 Anglo American Corp	700	700
Lazarus Education Fund	3 716	3 716
81 Barlow Rand Pref. Shares	316	316
Barlow Rand Convertible Notes	3 400	3 400
Gert & Irmgard Brusseau Trust	5 976	6 103
200 Tiger Oats	200	200
1 366 Barlow Rand	137	137
109 Barclays	253	253
240 Western Deep Levels Debentures	240	240
500 Trans Natal Coal	5 146	5 146
Sagat	-	127
Horace Coaker Fund		
1 000 Anglo American Coal	500	500
<u>Local Registered Stock</u>	76 926	76 926
Isaacson Foundation Bursary	16 926	16 926
9,625% Phalaborwa Water Board	7 000	7 000
9,5% Newcastle Town Council	9 926	9 926
Lazarus Education Fund	60 000	60 000
9,25% Escom		
Carried forward	205 418	206 345

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NOTES TO THE FINANCIAL STATEMENTS AT 31 MARCH 1986 (Continued)

6.1.1 <u>Bursary Funds (Continued)</u>	<u>1986</u>	<u>1985</u>
Brought forward	205 418	206 345
<u>Building Society Shares</u>	10 000	10 000
Andrew Hofmeyer Book Award		
<u>Cash on Call</u>	239 000	284 000
African Bureau of Education	9 000	9 000
McFarlane Trust	6 000	6 000
Mary Stewart Education Trust	-	5 000
Isaacson Foundation Bursary	70 000	70 000
Lazarus Education Fund	33 000	33 000
Gert & Irmgard Brusseau Trust	41 000	41 000
German Academic	-	35 000
Senior Teachers Training Trust	50 000	50 000
Swiss Church Scholarship	30 000	35 000
<u>Cash on Savings Accounts</u>	7 839	7 173
Sir Robert Birley Bursary Fund	3 308	1 777
Alan Paton Fund	2 589	2 369
National Education Trust	1 942	3 027
Debtors	800	-
Cash at Bank	725 344	345 247
	<u>1 188 401</u>	<u>852 765</u>
Less: Creditors	9 000	14 777
<u>Total Bursary Funds</u>	<u>R 1 179 401</u>	<u>R 837 988</u>

THE SOUTH AFRICAN INSTITUTE OF RACE RELATIONS
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NOTES TO THE FINANCIAL STATEMENTS AT 31 MARCH 1986 (Continued)

6.1.2 <u>Specially Funded Projects</u>	<u>1986</u>	<u>1985</u>
<u>Cash on Call</u>	33 000	33 000
	8 000	8 000
Abe Bailey	16 000	16 000
Ford Foundation	1 000	1 000
Homestart	8 000	8 000
Soweto Community Service		
<u>Accounts Receivable</u>	-	700
<u>Cash</u>	24 052	22 696
	24 052	22 395
At Bank	-	301
On Hand		
	57 052	56 396
Less: Creditors	1 000	5 393
<u>Total Specially Funded Projects</u>	<u>R 56 052</u>	<u>R 51 003</u>

THE SOUTH AFRICAN INSTITUTE OF RACE RELATIONS
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NOTES TO THE FINANCIAL STATEMENTS AT 31 MARCH 1986 (Continued)

	<u>1986</u>	<u>1985</u>
6.1.3 <u>Funds Administered by Regions</u>	137 890	188 575
<u>TOTAL SPECIAL FUNDS INVESTED</u>	<u>R 1 373 343</u>	<u>R 1 077 566</u>
6.2 <u>OTHER FUNDS</u>		
Unlisted Investments	7 112	7 112
Cash on Call and on Deposit	12 800	80 100
	<u>19 912</u>	<u>87 212</u>
Other Funds administered by Regions	38 660	38 600
Investment in wholly owned subsidiary	12 961	29 594
	<u>6</u>	<u>6</u>
Shares at Cost	12 955	29 588
Loan to Subsidiary		
<u>Note</u>		
The property belonging to the subsidiary company is mortgaged to provide overdraft facilities, totalling R 113 212 at 31 March 1986, which are utilized by the Institute. The subsidiary has signed as Surety for leases payable by the Institute.		
<u>TOTAL OTHER INVESTMENTS</u>	<u>R 71 533</u>	<u>R 155 406</u>
<u>TOTAL INVESTMENTS</u>	<u>R 1 444 876</u>	<u>R 1 232 972</u>

THE SOUTH AFRICAN INSTITUTE OF RACE RELATIONS

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NOTES TO THE FINANCIAL STATEMENTS AT 31 MARCH 1986 (Continued)

7. SPECIAL FUND BALANCES AT 31 MARCH 1986

7.1 <u>Bursary Funds</u>	<u>1986</u>	<u>1985</u>
African Bureau of Education	10 996	9 669
Auerbach Trust	2 719	2 366
Australian Scholarship Fund	46 739	32 299
Alan Paton Fund	2 589	2 369
Andrew Hofmeyer Book Award	12 083	11 313
B and E Koch Bursary Fund	11 417	8 956
Barclays Bursary Scheme	17 865	15 732
Boxer Bursary Fund	7 229	6 279
Charlotte Roberts Bursary Fund	-	1 203
Donaldson Bursary Fund	9 630	2 366
Dorothy Glauber Bursary Fund	72 401	66 954
Ellen Hellman Fund	7 912	7 912
Emily Hobhouse Bursary Fund	1 652	1 571
E Z E Scholarship Programme	33 264	43 457
G M Robertson Bursary	14 425	12 575
German Academic Exchange Scholarship Programme	191 345	2 771
Gert and Irmgard Brusseau Trust	51 947	51 673
Horace Coaker Fund	3 558	1 433
Isaacson Foundation Bursary Fund	171 280	122 897
Lazarus Education Fund	113 772	114 165
Lewis Stores Bursary Fund	8 212	6 731
Lomans Cape Bursary Trust	30 284	7 786
Luthuli Memorial Foundation Trust Fund	114 442	-
MacFarlane Trust	5 488	6 582
Mampu Schools	1 972	1 781
Mary Stewart Educational Trust	1 769	7 342
Mobil Oil Scholarship Programme	8 074	23 106
Murray and Roberts Bursary Fund	1 240	2 194
National Education Trust	7 780	7 499
Norske Bursary Fund	-	89
Patel Bursary Fund	14 099	12 249
Reginald H Smith Bursary Fund	14 825	13 125
Robert Shapiro Trust	25 399	17 787
Senior Teachers Training Trust	61 832	57 911
Sir Robert Birley Trust	1 942	1 777
South African Scholarship Programme (USA)	25 871	-
Swedish Church Mission Scholarship Programme	31 641	1 850
Swiss Church Group Scholarship Programme	2 685	59 571
Sundry Dormant Trust Funds	-	2 192
Tastic Rice Bursary Fund	2 344	792
W R Grace Fund	6 579	-
W I R C P	22 249	1 019
World University Service of Canada	-	83 282
Unilever Fund	7 851	5 363
<u>Total Bursary Funds</u>	<u>R 1 179 401</u>	<u>R 837 988</u>

THE SOUTH AFRICAN INSTITUTE OF RACE RELATIONS

(INCORPORATED ASSOCIATION NOT FOR GAIN)

NOTES TO THE FINANCIAL STATEMENTS AT 31 MARCH 1986 (Continued)

7.2	<u>Specially Funded Projects</u>	<u>1986</u>	<u>1985</u>
	Abe Bailey	10 662	9 748
	Building Alterations	-	1 157
	Ford Foundation	22 107	20 492
	Homestart	2 902	-
	Research Trainees	8 619	2 778
	Resettlement Research	-	39
	Soweto Community Centre	11 762	10 793
	Sundry Specially Funded Projects	-	5 996
	<u>Total Specially Funded Projects</u>	<u>R 56 052</u>	<u>R 51 003</u>
7.3	<u>Funds Administered by Regions</u>	<u>R 137 890</u>	<u>R 188 575</u>
	<u>TOTAL SPECIAL FUNDS</u>	<u>R 1 373 343</u>	<u>R 1 077 566</u>

8. STOCK

Stock Comprises -

Finished Goods, Books and Publications	<u>R 2</u>	<u>R 2</u>
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Stock has been valued as stated in Note 1 on a basis consistent with that of the previous year.

9. AUDITORS REMUNERATION

Fees for the Audit including management services	R 21 750	R 29 775
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These fees which include amounts paid to Regional Auditors are allocated both to the expenses of the Institute and to the Special Funds.

10. COMMITMENTS

There are commitments in respect of Capital Equipment Leases amounting to R 28 535 (1985 - R 48 354) which are payable at R 1 240 per month.
